



## **Success Story:** Investment Banking Merger Integration

**Client Classification:** Investment Group

**Service Category:** Business Acquisition, Integration, & Divestiture, Performance Management, Cost Transformation, Operational Strategy, Organization Transformation, Technology Enablement, Change Management

### **Situation:**

The merger of two Global Banks required the integration of the respective Investment & Private Banking divisions. Significant differences in client focus, sales programs, systems and operations existed at the time of the merger. The "Street" committed savings from the merger strategy required the integration of the Investment & Private Banking Divisions to reduce direct expenses by \$80 million.

Twelve months into the merger there was no progress on the integration. As a result LoBue Group was engaged to resolve issues and achieve the committed integration goals.

### **Recommendations:**

#### Investments

- Increase portfolio manager account loading.
- Develop relationship/product profitability model.
- Consolidate trading and incorporate a fixed income brokerage.
- Rationalize investment advisory allocation.
- Develop investment management system.
- Install MIS process.

#### General Services

- Reengineer domestic securities, international securities, cash processing, client services and credit control & support.

#### Client Management

- Redesign organization and reengineer all activities identifying inefficiencies, redundancies and positioning.
- Increase relationship management capacity within departments by realignment of non-sales activities.

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## Trust & Fiduciary Services

- Implement specific process improvements, system enhancements, work design and a Management Process.
- Remove administrative tasks from Trust Officers – transfer to Trust Assistants and Fiduciary Assistants.
- Standardize work processes across department to institutionalize product.
- Move support work from Trust Department to Operations area.
- Install Management Information System

## Support Operations

- Identify redundant activities performed within the Private Bank for consolidation.
- Develop unique processes for each activity utilizing "best practices".
- Create organizational design which focuses on productivity, efficiency and service excellence.

### **Results:**

All Investment & Private Bank processes and operations were redesigned and a new management system was established. Client segmentation resolved differences in Product vs Client sales processes and improved Product Management results. Best practices were implemented across the organization and best of available systems in use were chosen and redundant systems eliminated. The field sales network was redesigned, eliminating redundant facilities and personnel. At the conclusion of the 16 month program a direct cost savings in excess of \$110 Million was achieved.