Delivering Efficiencies

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Key Messages

We have an identified set of cost-out programs

(stage 1 and stage 2 in execution mode)

There has been a detailed, structured and considered approach

We have a long and successful track record of execution of cost-out projects

Stage 3 is in planning mode with more information to be provided in 2018

We are confident we will deliver on the benefits

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Delivering Efficiencies

Each of the Delivering Efficiencies strategic levers has an in-flight or planned project over the next three year horizon

Where we do work

Global Servicing Model
Louisville
Edinburgh

How effectively we work

Spans of Control
Operational Efficiencies
Procurement

Reduction in manual work

Process Automation
Operations Digitisation
Self-Service

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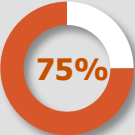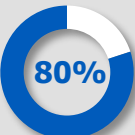
Delivering Efficiencies

Project Overviews

Stage 1	
Louisville	A North American project to establish a single, large operating facility in the US Region in a lower-cost geographical area suitable to our business requirements, while significantly reducing our footprints in Chicago, Boston and Jersey City.

Stage 2	
Spans of Control	A global project to improve the spans of control across the entire organisations, including all business lines, by de-layering manager to non-manager ratios.
Operational Efficiencies	A global project in the operations domain to measure productivity in a way that exposes hidden process and time inefficiencies that will enable us to have greater insight to better manage performance and capacity.
Procurement	A global project in the procurement domain to review the multiple regional and functional procurement teams across the group to ensure Computershare is leveraging its third party spend effectively.
Process Automation	A global project across all businesses that focuses on innovative process automation that reduces the required investment and implementation times to drive efficiencies in areas such as shared services, client relationship management and reconciliation.
Other	A number of smaller initiatives are also underway

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Delivering Efficiencies

The target savings range is reaffirmed as between USD 85-100m

Stage 1	$M	FY17 est.	FY18	FY19	FY20
Louisville	25 - 30	28%	55%	69%	100%

Stage 2	$M				
Spans of Control	~15	20%	90%	100%	
Operational Efficiencies	10 - 15		25%	75%	100%
Procurement	5 - 8		50%	100%	
Process Automation	~20		20%	80%	100%
Other	10 – 12				
Stage 3	TBD				

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Louisville

The Louisville program has already delivered 28% of the benefits in FY17 ahead of the original forecast of 15% through early execution

Sponsorship
The project forms one of the top 10 CEO global priorities

Financial Management
For every employee hired in Louisville there is at least a corresponding FTE that is released

Planning
A transition plan was developed with the positions to be hired by week across the lifespan of the project

Governance
Clearly identified owners of each major project track have also been in place since its inception

Execution
As at March 17, 599 staff work at the Louisville site

Marketing
Use of digital, radio advertising & recruitment videos has proven successful

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Louisville

A key to the success of the Louisville project has been the integration into the community

41%
processing of daily US work

20%
Higher Employee Engagement

Population

› As of March 31, 2017 Louisville has surpassed the 500 employee threshold

› They represent all major areas of Operations including, Call Center, Transaction Processing, Plans, Corporate Actions and the more complex units such as the Tax, Proxy and Dividend processing unit

› Expanding beyond operations, front office, shared services and temporary roles for KCC and CFS and also located in Louisville
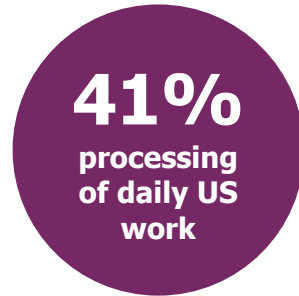
Culture

› While the tasks of recruiting, hiring and training such a large population has been significant, Louisville has also provided the US an opportunity to create a culture unencumbered by previous Registry experiences

› Louisville gives us the opportunity to determine the optimal operating model going forward with a culture based on who we want to be vs. what we were

Corporate Citizenship

› We have begun to be recognized as a major employer who is very connected to the community

› We are members of Greater Louisville Inc. and the Metro Chamber of Commerce

› We support the Mayor's bike share and Give a Day programs

› We have partnerships with Brightside where we maintain a community garden

› We have a partnership with Family Scholar House where we consider single mothers who have obtained a college degree for positions at Computershare

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Spans of Control

This project has completed the execution phase and is now in the benefits realisation phase prior to completion

Sponsorship
The project forms one of the top 10 CEO global priorities

Financial Management
Ongoing reconciliation between roles and financials to ensure benefit capture

Planning
Every role in the organisation was considered as part of the project scope

Governance
Governed by the global management team to ensure delivery

Execution
The core of the project was delivered from inception to completion in less than six months

Communication
Globally co-ordinated communication plan that informed staff within a rolling 24 hour period

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Spans of Control

The spans of control project leveraged a best practice approach to organisational layer design
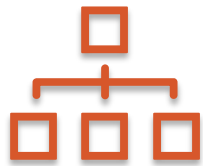
Org. Layers & Roles

For the number of organisational layers for the business unit, an assumption was made of the organisational role at each layer

Role Complexity

The complexity level of the roles within the organisational layer will be defined by the complexity factors

Best Practice Spans

The target span of control by role is based on industry best practice

Layer	Role	Span (target)
1	Global CEO	1:7
2	Regional CEO	1:5
3	General Manager	1:6 to 1:7
	Senior Manager	1:6 to 1:8
	Manager	1:7 to 1:12
	Team Leader	1:9 to 1:15
12	Team Member	n/a

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Spans of Control

The target benefits have been successfully realised

› Computershare's middle management had the least spans at the top which is where the majority of the reduction was achieved

› This initiative focused on management and all areas of the business versus an historical Operations focus

› Consultation was initialised in August 2016 and completed only five months later

› The resultant structure encourages quicker decision making and closer proximity to the end customers

› Best practice targets have now been established across all areas of the business and can be monitored for future compliance

200+
FTE reduction

6.6+
Average span post execution

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Operational Efficiencies

Adopting a different methodology for productivity measurement and operations staff management to drive operating efficiency improvements

Sponsorship
The project forms one of the top 10 CEO global priorities

Financial Management
Minimal capital investment required to support the project

Planning
An initial pilot completed in Australian operations across simple and complex transactions
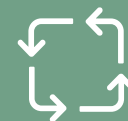
Performance
The core metrics are independent of the work completed which will allow for like-for-like comparisons between businesses and geographies

Execution
Rollout initiated in non-core businesses in North America

Sustainability
Chance to establish a whole-of-organisation framework for exposing and solving problems as part of everyday business

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Operational Efficiencies

Enhancing productivity insight and focusing floor management on real time performance vs. weekly or monthly results

Productivity Metric

Visual Management

Active Management

Updated Productivity Metric

Refresh current productivity metrics to account for actual agent work output relative to total paid working hours

Drivers of Productivity

Define efficiency and occupancy measures to visualise the specific drivers of performance of teams and individuals

Productivity Opportunities

Understand the drivers of efficiency and occupancy losses by performing direct observations during identified periods of opportunities

Visual Management Views

Develop detailed views of productivity and quality, and provided deep dive analysis of hourly loss drivers

Intra-day Reporting

Prepare daily interim views to understand team and individual agent performance

Ad-hoc Analytics for Active Management

Analysis specific areas at the request of management/team leaders

Defined Operating Rhythm

Work with operations management to develop a tailored operating rhythm to drive performance

Visual Analytics Deep-Dive

Support team leaders to understand and draw insights from the new visual metric**s**

Team Leader Coaching

Work with team leaders to understand changes in performance and develop targeted interventions

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Operational Efficiencies

During the pilot phase, **Active Management** across the identified opportunity areas produced a significant increase in productivity

70%
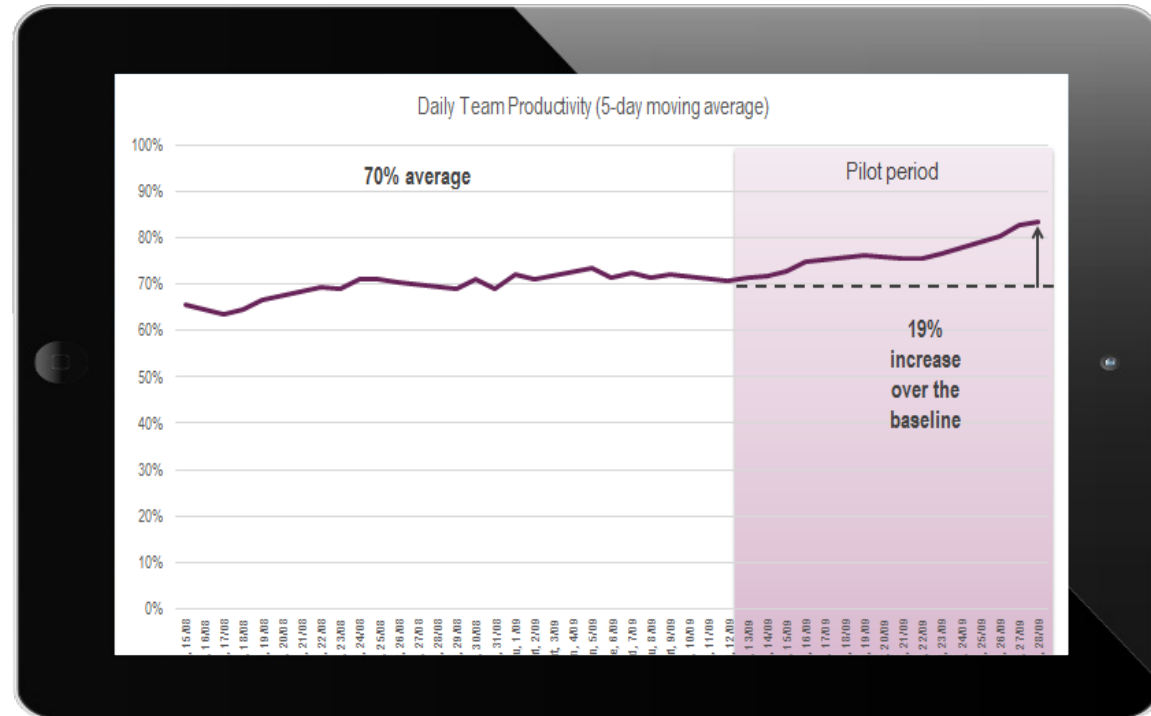baseline average productivity pre-pilot

83%
5-day moving average productivity at pilot end

19%
productivity increase observed

A 13 point productivity uplift (70 to 83%) represents a 19% increase over the baseline

Daily Team Productivity (5-day moving average)

70% average

Pilot period

19% increase over the baseline

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Digital Ops

Digital Ops using innovative technologies will redefine the workplace for all companies

Sponsorship

The project is the number one of the top 10 CEO global priorities

Financial Management

The project is working with the core business on benefits realisation capture as the core performance measure

Planning

We are using FTE and cost centre heat maps to identify departments across the organisation

Governance

Directly governed by the Global CEO, Global CIO and other key executives

Execution

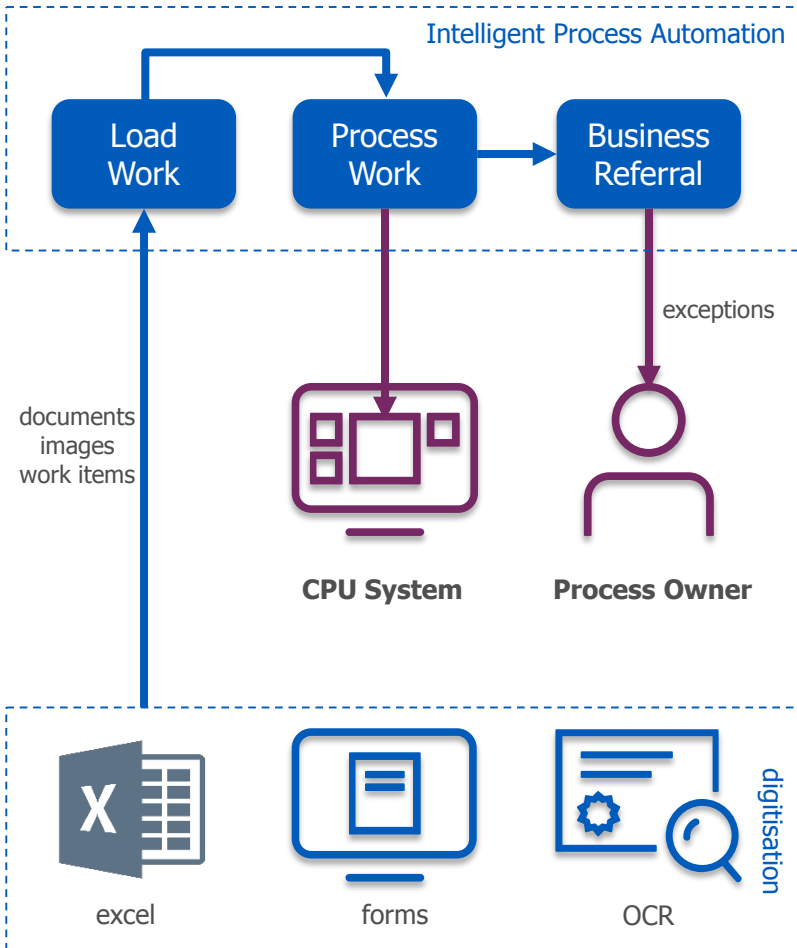Key strategic partners in both platform and delivery are working in tandem with us as we expand across the globe

Marketing

Internal workshops have been held all over the globe to educate staff as to the art of the possible

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Digital Ops

So what is it?

Intelligent Process Automation

CPU System

Process Owner

documents
images
work items

exceptions

digitisation

excel

forms

OCR
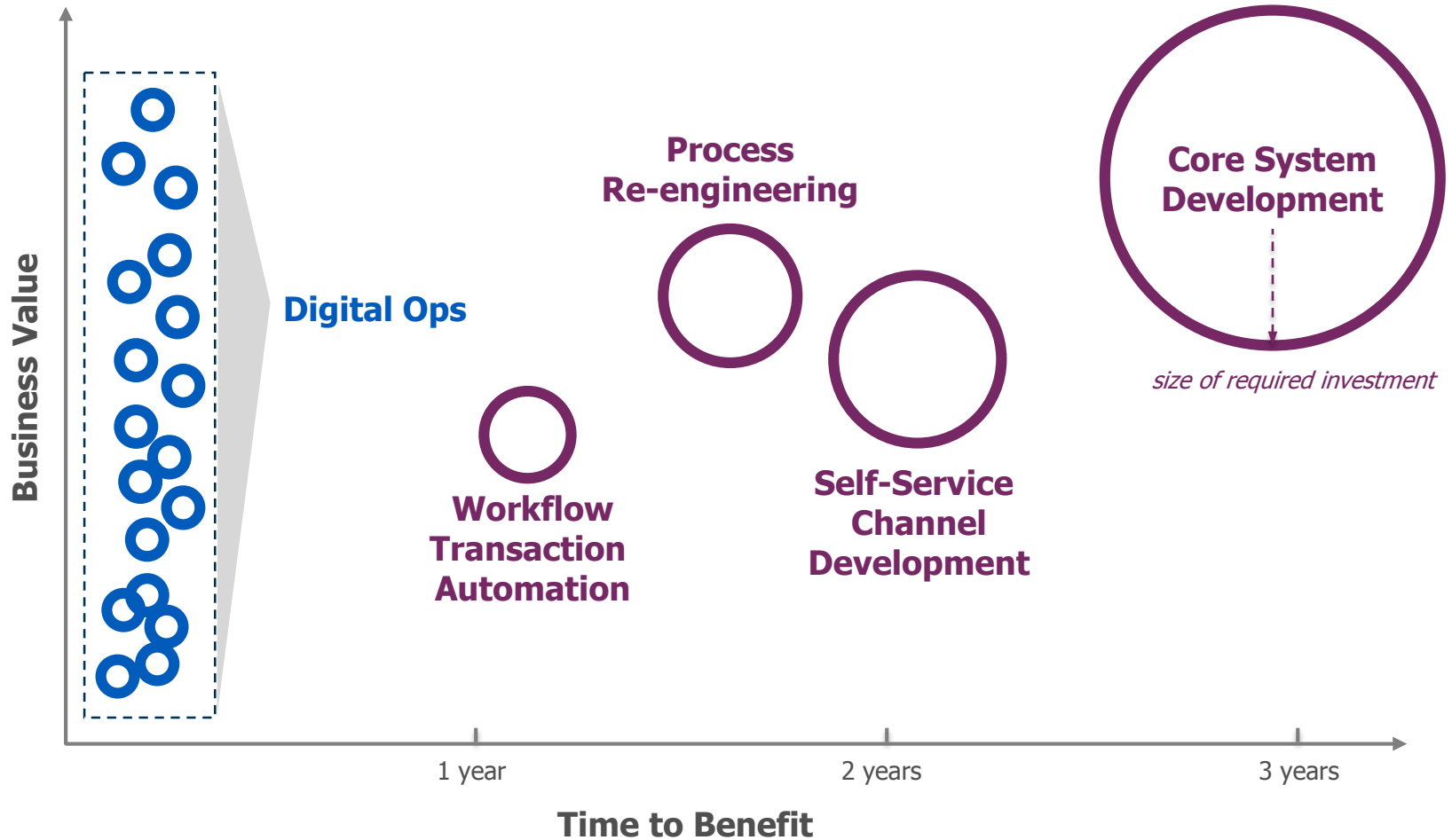
› Known in the industry by many names such as:

  › Intelligent Process Automation

  › Robotic Process Automation

  › Virtual Workforce Management

› Automation is facilitated through the existing system user interface

› It doesn't require system integration – therefore no development is required

› Software "robots" use the same application interfaces (UI) as our staff to execute on business processes

› A software "robot" is given login credentials and application access in exactly the same as any typical staff member

› 1 robot works 24/7, 365 days = 8760 hours

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Digital Ops

The small investment cost, delivery efficiency and speed to market makes the technology approach highly compelling

Business Value

Digital Ops

Workflow Transaction Automation

Process Re-engineering

Self-Service Channel Development

Core System Development

size of required investment

1 year

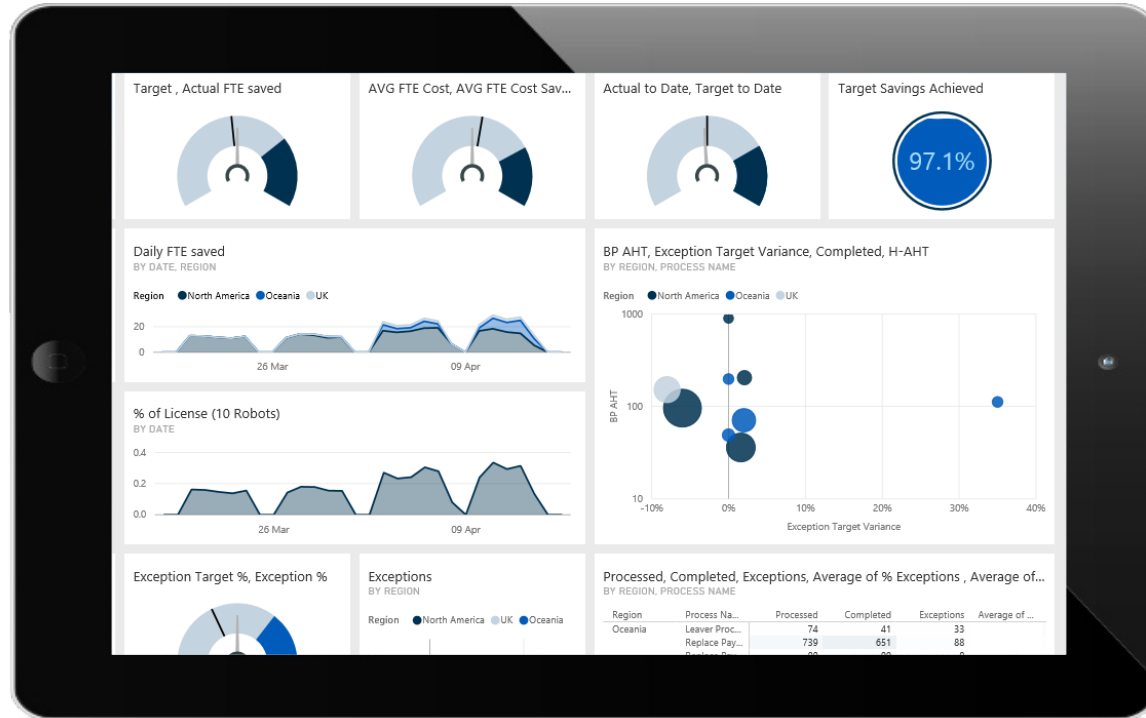2 years

3 years

Time to Benefit

Digital Ops

Deep data insights into the processing outcomes is already confirming the unlimited potential of the initiative

21
Processes in production and counting!

2
Processes in production per week across the globe in start-up phase

500K
Wave 1 annualised savings estimate

There are 11 incremental waves of process automation deployment, with increasing benefit profiles, planned across the globe in the next 3 years

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Closing Messages

We understand the cost-out projects and their relationships with each other to achieve the results stated

Louisville is ahead of plan and on track to deliver

Spans of Control has nearly completed and on track to deliver

Operational Efficiencies has proven its potential and will now look to execute on a global scale

Process Automation has mobilised quickly across the regions and is already delivering results in the mobilisation phase

We are confident we will deliver on the benefits

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