

Case Study | 2022 TBM Council Award: Service Excellence

Leveraging TBM Tools & Processes to Drive Service Excellence at BNY Mellon

A BNY Mellon Case Study

Executive Summary

BNY Mellon's Global Operations and Technology (GOT) organization manages all the technology and application investments to support their business partners, while seeking to offer seamless delivery through best-in-class operations. Leveraging Technology Business Management (TBM) principles and tools, BNY Mellon moved away from spreadsheets to a sustainable, centralized, credible, and scalable operating model. This investment in TBM has been critical to achieving the bank's 2022 strategic goals and priorities across Global Operations and Technology.

BNY Mellon Overview

BNY Mellon is a global investments company dedicated to helping its clients manage and service their financial assets throughout the investment lifecycle. Whether providing financial services for institutions, BNY Mellon delivers informed investment and wealth management and investment services in 35 countries. As of Sept. 30, 2022, BNY Mellon had \$42.2 trillion in assets under custody and/or administration, and \$1.8 trillion in assets under management. BNY Mellon can act as a single point of contact for clients looking to create, trade, hold, manage, service, distribute, or restructure investments. Since its founding by Alexander Hamilton in 1784, BNY Mellon has built a legacy of innovation and been at the forefront of change in the financial world.

2022 TBM Council Award:
Service Excellence



Website

www.bnymellon.com

Founding date: 2007

Employee count: 49,100 (based on 2021 YE)

Headquarters: New York, NY

Revenue: \$16.16B (based on 2021 YE accounts)

Industry: Banking / Financial Services

TBM Solutions:

ApptioOne Plus™

ApptioOne Billing™

Vendor Insights™

Financial Management & Modeling™



“[We worked] with a small coalition of the willing to build momentum, show what good looks like, and [show] what can be achieved with TBM.”

Dickerson Miles

Head of Global
Operations & Technology
Economic Architecture

The Challenge

Given the broad scale and vast array of services, BNY Mellon's integrated Global Operations and Technology (GOT) organization needed a simple and sustainable unit costing model. This model would ensure that services were being delivered in a cost-effective way for the enterprise, but most importantly, for their clients.

Establishing the Solution

BNY Mellon invested in implementing TBM principles and tooling to move away from spreadsheets to a sustainable, centralized, credible, and scalable process. The TBM solution provides automated, transparent, inter-company cost allocations to GOT business partners. Additionally, the solution enables GOT leaders to transparently drive efficiencies into technology products and business services through unit cost analysis.

The Result

BNY Mellon's investment in TBM and the related disciplines has been critical to achieving their 2022 strategic goals and priorities across Global Operations and Technology. Through an iterative collaboration with partners across the organization, BNY Mellon transformed their vast amounts of data into meaningful total cost of ownership reports and eliminated flat allocations.

Transforming Data into Meaningful TCO Reports

Increasing transparency and the availability of data using TBM practices is a priority at BNY Mellon. To ensure that TBM is weaved into the fabric of the organization, a Cost Transparency team was established, as well as a formal Executive Steering Committee to support and develop TBM metrics. Sitting within Global Operations and Technology, the Cost Transparency team is responsible for

Benefits:

- Cultivated multiple collaborative groups of leaders across organization.
- Financial transparency is driving accountability and organizational change.
- Transforming data into meaningful TCO reports.
- Aligned product volumes with cost impact for transparency of financial outlook.

all central development, communication, and onboarding for the Technology and Operations organization as relates to TBM initiatives. This small team drives the organization towards further ingraining TBM practices and data across the enterprise. BNY Mellon Technology has gone a step further to create a Bill of IT Governance Forum made up of approximately 80 senior technology leaders, application managers, and finance partners. This collaborative group of leaders drives accountability and organizational change using financial transparency. Similarly, an Operations Cost Transparency Steering Committee consisting of senior leaders from Operations and Finance was established. This committee drives and tracks the development of TBM practices and the suite of metrics critical to running the Operations functions across the firm. Additionally, the Cost Transparency team developed user guides and playbooks to document and market the costing efforts across the organization.

Today, the GOT Executive Committee members regularly use and benefit from the reporting and decision-making tools delivered by the Cost Transparency team. The Executive Committees include the BNY Mellon CIO and Global Operations & Technology CFO, as well as internal business executives. Senior technology and business leaders gain tremendous insights into the consumption patterns that drive their key investment decisions. The Cost Transparency team has trained managers, application owners, and product managers on the

reports available to them. These reports allow them to understand the total cost of ownership (TCO) of the products they consume, and how to optimize costs where possible. Finance leaders have clear visibility of the inter-company allocations and enable data-driven conversations between groups. Unit costs and unit cost trends put spending into the context of the volumes providing insight into new technology and automation returns on investment. TCO reporting enables leaders to view high-level trends and drill to the most detailed technology data to answer “why” questions and provide insights to affect change in the organization.

Eliminating Flat Allocations and Corraling Feedback for Continuous Refinement

By aligning product volumes with the cost impact, BNY Mellon leaders are far more informed on the financial outlook of their business. Beyond the increased granularity, TBM reduces the time to market for new services and streamlines the associated finance planning processes. Understanding where to expect increases in cost because of investments at the onset is incredibly beneficial. It has reduced the absorption of unplanned run costs, eliminated breakdowns in the target-setting process, and enabled prioritization of allocations during the planning processes. Most notably, it provides a simple and reliable way to track benefits realization.

TBM has also eliminated flat allocations and given business partners the levers needed to optimize their technology spend. In addition, BNY Mellon has deployed business performance metrics for critical business services and their consumption by various business lines. These metrics allow for internal benchmarking across the critical business services and their consumption by business lines. Specifically, BNY Mellon has established a monthly cadence of reporting using TBM as part of the

ongoing business reviews in the Technology space. Beyond the 80 senior leaders within the Bill of IT Governance Forum, Technology and Operations staff have been trained on the TBM discipline and practices used at BNY Mellon. By educating the organization on TBM practices, consumers of the data can help refine the model to better represent reality. The centralized Cost Transparency Team has completed over 130 change requests because of user feedback and has a growing backlog of improvement opportunities. This demonstrates the effectiveness of the team’s change management efforts and a strong desire to leverage the powerful data and analytics capabilities they have developed with TBM.

BNY Mellon has deployed the TBM/EBM taxonomy to build a costing foundation that enables various operational processes, supports financial analysis, and provides insights for optimization. Furthermore, BNY Mellon has automated the technology rate-setting process. This process helps build forward-looking budgets and offers ongoing, accurate financial tracking.

Conclusion

As the winner of the 2022 TBM Council's Service Excellence Award, BNY Mellon TBM leaders encourage new TBM programs to conduct a proof of concept with a willing partner to show early value. Dickerson Miles, Head of Global Operations and Technology Economic Architecture, shared, "[We worked] with a small coalition of the willing to build momentum, show what good looks like, and [show] what can be achieved with TBM."



Join the TBM Council

Founded in 2012, the Technology Business Management (TBM) Council is a nonprofit business entity dedicated to advancing the discipline of TBM through education, standards, and collaboration. Governed by an independent board of both global and regional business technology leaders, this diverse group represents some of the world's most innovative companies, including Mastercard, Wells Fargo, State Farm Insurance, Nike, Stanley Black & Decker, Equifax, ANZ Group, Commonwealth Bank of Australia, Adidas, Bank of Ireland, and more. The TBM Council provides best practices for leaders to leverage so they can react quickly to changing market dynamics and optimize cloud and agile strategies to deliver on business objectives.

Learn more and become a member at

tbmcouncil.org