



*The Depository Trust &
Clearing Corporation*

Quality at DTCC

American Society for Quality

Lean Six Sigma Conference

March 2, 2009



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Foreign Language

- French
 - Ballet
- Italian
 - Taxi
- Japanese
 - Kaizen



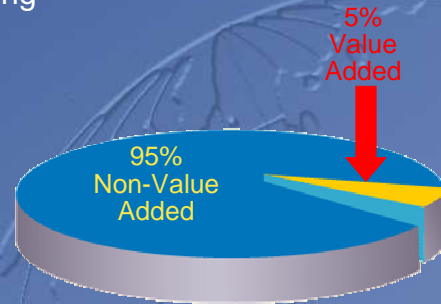
History

Year	Program Milestones
1980's	Quality Circles Employee Participation program
1990's	Continuous Improvement Program, Cost of Non-Conformance, Work Process Improvement
2001 – 2002	Launch of Six Sigma, Quality Council, Chairman's Award for Quality and Excellence
2003 – 2004	Balanced Business Scorecard Launch of Green Belt program
2005 – 2006	Lean Sigma, Asset Services Process Excellence Six Sigma CEO of the Year industry award
2007 – 2008	DTCC Process Excellence, Kaizen, "Public" Sigmas, On-line Training, Industry Roundtable, Executive Belts, Six Sigma global industry award for Best Achievement in Service and Transactional Environment



History - Remember Lean?

- Overproduction of work in process
- Waiting
- Transportation of information / documents
- Non-value-added processing
- Excess finished inventory
- Defects
- Excess people motion
- Underutilized people

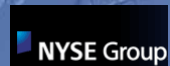


Typically, 95% of all lead time is non-value added



Math

- Over 13 billion equity and bond transactions processed in '07
- Over \$40 trillion of securities on deposit
- More than 11,000 companies within the global financial services industry
- \$1.85 quadrillion Settled in 2007
 - Equals 10X the global GDP

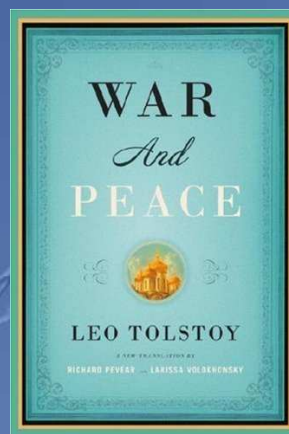


\$1,850,000,000,000,000



Reading

- Preparation is key to any project
- Know the outcome
- Have before data to compare the successes



Social Studies

- Choosing a good team to complete a Kaizen
 - Customer
 - “Make it better”
 - SME
 - “We tried to improve it before”
 - Novice
 - “Why do you do it that way”
 - Process Owner
 - “Make it faster”
 - Process User
 - “Make it easier”
- Share holder



Science - What is a Kaizen Event?



A hands on series of activities that follow a ten-step process allowing a team of people to make rapid, action-oriented just in time improvements across the enterprise.



Social Studies – Industry Roundtable

Financial Services Business Transformation Roundtable Hosted and Chaired by DTCC

- *Share best practices in the fields of program deployment, change management, innovation and performance measurement tools in order to achieve substantial, positive and sustainable impact*
- *Explore solutions for industry-wide challenges*
- *Perform benchmarking studies in areas of common interest*
- *Network and partner on initiatives as and when judged appropriate*

Member Firms

- Alliance Bernstein
- AXA
- Bank of America
- Bank of NY/Mellon
- Barclays Bank
- Brown Brothers Harriman
- CIT
- Citi
- Computershare
- Credit Suisse
- DTCC
- Discover Financial Services
- Edward Jones
- Fidelity
- Freddie Mac
- Goldman Sachs
- HSBC
- MCAP
- Merrill Lynch
- Morgan Stanley
- Pershing
- RBC Dexia Investor Services
- Societe Generale
- Sun Trust
- Textron Financial
- Thomson Reuters
- Toyota Financial
- UBS
- US Bank
- Vanguard
- Wells Fargo

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Kaizen = “To Make Better”

- Small incremental changes that add up to **big improvements**
- Usually low-cost / no-cost solutions that can be **implemented every day**
- Becomes a philosophical shift in doing work, **constantly looking for a better way**

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Science

“Waste is anything other than the **minimum** amount of **equipment, materials, parts, space, and worker’s time** which are absolutely essential to **add value** to the product.”

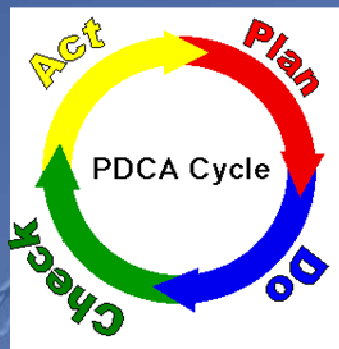
Shoichiro Toyoda
Past President Toyota

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Science – PDCA, DMAIC, SCORE

1. Define the **problem (with metrics!!)**
2. Define the **current situation**
3. Visualize the **ideal situation**
4. Define **measurement targets**
5. Brainstorm solutions to the **problem**
6. Develop **Kaizen plan**
7. Implement **plan**
8. Measure, record and compare **results** to targets **(with metrics!!)**
9. Prepare summary **documents**
10. Create short term action plan, and on-going standards and **sustaining plan (with metrics!!)**

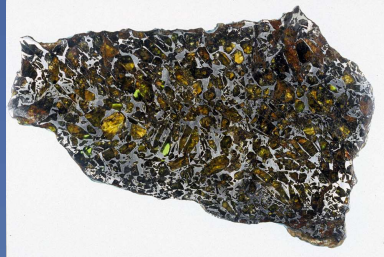


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Science Phase 1

- Current State
 - Process Map
- Brainstorm
 - What's the Value Add?
 - Why is it that way?
- Assign Action items
 - Measurements / Metrics
 - Forms
 - Information
- Review with the sponsor (if needed)



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Science Phase 2

- Review action items
- Presentations slides
 - Discussion starter
- Future State
- Process map
- Brainstorm
 - What's the Value Add?
 - Why is it that way?
- Run trials if possible



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Science Phase 3

- Implement changes
- Run trials where possible
- **Modify**
 - Repeat the trials
 - **Modify**
 - Repeat the trials
 - **Modify**
- Brainstorm
 - What's the Value Add?
 - Why is it that way?
- Create report out presentation



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Science – Keys to Success

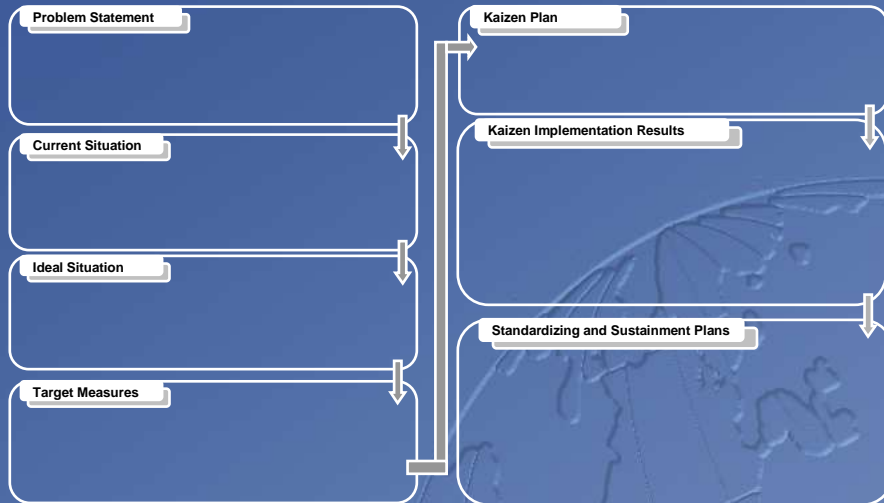
- Identify motivational reasons for activities
- Complete the waste walk (and take pictures during the event or during the processing time of the area)
- Focus on the process not the slides
- Refer to the voice of the customer
- Refer to the 8 wastes
- Force participation by not writing on the story board, select a team member to do it
- Use titles not names when addressing position changes



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Art: Kaizen Story Board



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Philosophy

- Why is it that way?
- What is the benefit of doing it that way?
 - Customer requirement
 - Internal or external
 - Business requirement



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Final

What do you do next?

How do you identify Kaizen opportunities?

What is the burning platform at your company?

What if you do not have Kaizen experience in your company?

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Questions?

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