



CASE STUDY

GROUPE BPCE

HIGH-IMPACT TRANSFORMATION OF BANK HEADQUARTERS

Executive summary

Client challenge

To improve efficiency to better serve the companies within the Groupe BPCE.

A&M's solution

A&M financial services experts worked with Groupe BPCE leadership to deliver a disruptive zero-based budgeting approach over a three-month period.

A&M's impact

- 1 12,000+ tasks mapped across functional areas
- 2 500 levers validated
- 3 95% savings realisable within a two-year time frame

Company profile: Groupe BPCE



Sector:
Banking and Insurance



Headquarters:
Paris, France



Employees:
105,000



Revenue:
€24 billion



History: Currently the second largest bank in France. Formed by the 2009 merger of Banque Populaire and Caisse d'Epargne Groups.

Alvarez & Marsal (A&M) was retained by Groupe BPCE, the second largest banking group in France, to assist the bank's headquarters in becoming more agile in order to serve their regional banks more effectively. A&M was selected based on a track record working on large transformation projects and strong banking expertise. A team of senior A&M financial services experts were able to rapidly identify the key areas for attention.

In order to strengthen the 'culture of efficiency' across the bank, including its regional banks, it was important that the headquarters of Groupe BPCE set the operational standard.

The key was to increase transparency within the organisation's support functions, improve the understanding of activities they undertake and focus on more value-added tasks. A zero-based budgeting programme over a three-month period was agreed as the platform to help understand where to unlock value.

A&M's solution

A&M implemented a zero-based budgeting approach which was made up of three main steps:

- 1 Activity mapping
- 2 Lever identification
- 3 Action plan and budget update

In total, 12,000 + tasks were mapped across the support functions (Finance, HR, IT etc.), and savings were subsequently identified by challenging activities at a granular level through a decision-tree approach:

- Are we doing the right things?
- Are we doing things in an efficient way?
- Are we doing things with the right resources?

A&M also identified those high-impact levers, which were common across each support function (e.g. optimisation of IT project management, time spent in meetings, nearshoring, real estate etc.). These levers were found to account for a third of total savings.

Taking this approach meant A&M could quickly and efficiently isolate areas within the headquarters that could be optimised through methods such as automation, simplification or in some cases stopped altogether.

A&M's impact

Over three months, the zero-based budgeting project delivered significant benefits to Groupe BPCE and have made a quick impact by enabling Groupe BPCE's headquarters to establish operational excellence within the group, whilst providing a long-term financial benefit to the bank.

Key achievements:

- 1 12,000 tasks analysed across support functions
- 2 500 levers validated
- 3 95% savings realisable within a two-year time frame

A&M's impact went beyond the financial upside and delivered other meaningful benefits:

- Drove cultural change of cost awareness
- More transparency within the organisation
- Improved understanding of support activities
- Focus on more value-added tasks

“Alvarez & Marsal supported Groupe BPCE's recent transformation. This project was part of a disruptive approach. Their seniority and expertise model allowed us to identify ambitious savings targets within a short period of time. We valued A&M's unique consulting model, in particular, their ability to challenge and listen within a defined framework and deliver tangible results. These elements were key to ensure the full success of this complex transformation project.”

Laurent Mignon, CEO, Groupe BPCE

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With over 4,000 people across four continents, we deliver tangible results for corporates, boards, private equity firms, law firms and government agencies facing complex challenges. Our senior leaders, and their teams, help organizations transform operations, catapult growth and accelerate results through decisive action. Comprised of experienced operators, world-class consultants, former regulators and industry authorities, A&M leverages its restructuring heritage to turn change into a strategic business asset, manage risk and unlock value at every stage of growth.

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