

Best Achievement in Cultural Transformation & Sustainability to Deliver a High-Performing Enterprise Excellence Culture

SEI New ways.
New answers.®

Synopsys

After 50 years in business, SEI remains a trusted leader in the financial services industry, providing transformative wealth management and technology solutions to clients. Innovation is one of our core values and engrained in the foundation of the company's culture. SEI has always anticipated changing market needs and created innovative business solutions designed to help clients meet the challenges of managing personal and institutional wealth.

As a wholly owned subsidiary of SEI, SEI Private Trust Company (SPTC) is an extension of Alfred P. West, Jr.'s vision, in which SEI's Chairman and CEO recognized the value of providing regulated back-office custody and outsourcing services to the financial industry.

SPTC recently bolstered its mission to be a top financial services provider through continuous innovation, launching an ongoing campaign, "Beyond World Class," to ensure sustainability and endlessly strive toward being the best. Embarking on this employee-empowered campaign, SPTC began its cultural transformation to define a shared vision, develop programs for achieving that vision, empower

employees to understand and support the vision, measure progress, and celebrate successes.

In the campaign's first year, SPTC focused on cultural transformation to ensure our 430 onsite and offsite employees were engaged and committed to being Beyond World Class. Working toward this achievement required affecting policies, processes and behaviors, leading to results that exceeded expectations.

As SEI celebrates a half-century of global growth and success, SPTC celebrates and continues its mission of Beyond World Class — keeping one eye on the future and the other on our clients' challenges.

The Strategic Objectives and Scope

To further refine SPTC's Beyond World Class vision, the leadership team sought employee feedback and conducted multiple working sessions, defining five key focal areas, or 'streams.' Each stream supports a documented vision and roadmap, and we improve in each of these five areas each year.

- **Employee Engagement** – SPTC's mission aims to motivate employees and increase their understanding of how they contribute to SEI's success. We work to build and sustain an environment where employees love what they do, their engagement is supported and valued, and they are committed to SPTC's goals and values.
- **Client Experience** – Our service is a vital part of the overall client experience. We understand our clients' needs and deliver services and interactions that exceed their expectations.
- **Process Excellence** – We deliver exceptional service through controlled, efficient, cost-effective and scalable operational processes. We deeply understand and continuously improve end-to-end processes in meaningful ways.
- **Change Management** – Industry conditions, technology, competition, and client expectations are ever-changing. SPTC anticipates and efficiently adapts to change, as we view change as an opportunity for education and self-improvement.
- **Simplicity** – Operating like a well-oiled machine, we act as one cohesive unit. Employees, business units and clients know what to expect, and service is consistently delivered without disruption. Our simple and intuitive technology enables SPTC to work smarter – not harder. SPTC automates time-consuming activities, enabling the knowledgeable workforce to focus their time on complex exception processing. We strive to simplify our services and processes, so they are easily repeatable and transferrable.

Implementation Process and Timeline

2017 – How Far Can You Go?

After our initial planning in 2016, we focused on making progress in areas that would move the campaign in the right direction, while simultaneously identifying and analyzing new opportunistic areas and developing a strategic plan for success. The theme focused on employee engagement, and goals and initiatives included cultural change through employee engagement; employee training, recognition and growth programs; a specific, long-term vision; and a formalized structure for strategic execution.

Employees described what “Beyond World Class” meant to them on post-its, and their thoughts were categorized and documented to inform our decisions, strategy and communication.



Through SPTC University, employees completed 4,748 hours of training, compared to 1,298 hours in 2016. For the first time in SPTC's history, we published a skills matrix and salary ranges for all levels within our Operations team. Other employee training, recognition and growth programs were implemented based on employee feedback:

- SPOT Awards, ICON Awards
- SIPS (Social Interaction Planning Specialists) Committee
- Quarterly town halls
- Employee surveys
- Imbed video clips in operational procedures to enhance training
- Six Sigma training and pilot projects
- Revamped onboarding
- Operations Storyboard (see appendix)
- Developed Strengths-based culture
- Formalized change management process

We created a formalized structure for strategic program execution by developing a dedicated Strategic Program Manager role to facilitate executive alignment and buy-in, as well as provide strategic project and activities oversight. SPTC also implemented an Objectives and Key Results (OKR) process for 2018 planning.

2017 Results

- Significant increase in employee involvement and awareness of STPC's vision and goals. This growth was evidenced by Beyond World Class 'language' and ideas included in emails, intranet posts and meetings
- At a corporate level, SEI recognized the initiative's success, laying the groundwork for collaboration across units (see appendix for client testimonials)
- Increase in employee-driven initiatives and activities aligned to SPTC goals
- Training hours increased from 1,298 to 4,748 (exceeding our goal of 3,700)
- Created 444 video procedures (exceeding our goal of 409), streamlining a necessary process that was time-consuming for our teams
- Achieved goal of reducing written gain/loss memos from 375 in 2016, to 300 in 2017
- Improved cost-per-service transparency by developing and applying a unit cost model for 10 processing teams

2018 – Elevate the Client Experience

While continuing and expanding on 2017's employee engagement initiatives, SPTC set our sights on the client experience in 2018. With a vision, structure and cadence in place, we hit the ground running with the below objectives, and 28 SPTC teams aligned their own objectives to these.

Objective 1: Provide a higher-level and more consistent experience to our clients by standardizing and improving our client interactions.

- › We took a proactive approach to building relationships between Operations, Client Service and our Solutions teams by initiating client service forums and surveys. Increased collaboration will enhance knowledge of our clients' products, future needs and pain points, ensuring that Operations is focused on the "right" things to achieve Beyond World Class client satisfaction.
- › SPTC standardized client communication channels to provide business units and Operations a holistic view of the client relationship. This standardization project also provided insight into the overall satisfaction by gathering metrics and feedback to proactively identify and resolve issues. We developed a sustainable world-class client service training program, which reinforces a culture of elevating the client experience. Client service training is administered to all SPTC employees.

Objective 2: Measure and reduce errors, with a focus on client-facing errors.

- › We leveraged Six Sigma's DMAIC process to determine the root causes of gain/loss memos and implement control-process improvements.
- › By establishing a Process Owner Program, SPTC provided education, tools and techniques to subject matter experts, enabling them to manage processes through demonstrable control, reduced variation, risk mitigation and sustainable unit cost for their processes.

Objective 3: Improve standardized, comprehensive view of cost for our internal clients.

- › SPTC developed a standardized cost-per-process model for more accurate resource planning and increased transparency around cost estimates to business units.
- › By measuring and aligning current vendor costs with operational processes, we identified the value that a vendor brings, enabling us to forecast vendor costs for proposed volumes over the next three years. These metrics empower us to identify ways to reduce vendor costs and SPTC expenses, including longer-term contract negotiations with existing vendors or alternative competitor solutions.

Additional Employee Engagement activities

- › In order to remain strongly focused on the five streams, we held the First Annual xStream Games over a three-week period this summer, randomly organizing 353 employees into five teams, which were named after the streams. They signed up to compete in events for a chance to win points for their teams. Employees showed their spirit by dressing in team colors, decorating their desks, hanging team posters, and chanting team slogans. SPTC experienced a high level of participation and interaction between employees (see appendix for video).
- › SPTC carried over programs related to employee engagement and expanded in this stream by developing the What's Up in Ops Forum, a consultant engagement forum, which improved one-on-one and team meetings, and individual goal-setting and development plans, as well as resulted in the opening of SPTC's innovation center, The Bridge (see appendix).

2018 RESULTS

- › Significant increase in goals, visibility and alignment across all teams within SPTC. Teams submitted 62 objectives with 127 key results, all of which were aligned to our five streams
- › To date, 68 percent of team OKRs are fully achieved or on target to achieve, and 22 percent are partially achieved or on target to partially achieve
- › Communications became more transparent and streamlined
- › Engagement activities resulted in increased collaboration between teams
- › Client experience initiatives resulted in increased collaboration with our market units, and increased proactive and positive comments from internal and external clients (see appendix for client testimonials)
- › 15 team-level process improvement OKRs were completed, resulting in 9,133 hours of work saved per year – these were above and beyond planned technology enhancements

What's Next?

In planning for 2019, the leadership team has decided to highlight the Simplicity Stream, specifically as it applies to the areas of transparency and automation. Goals include process dashboards, simplification of cross-team processes and continued experimentation with emerging technologies, including blockchain, RPA and AI. We will continue to evolve the OKR process with a focus on measurable business results.