Retail & Corporate Banking

IS "END-2-END" THE NEW PARADIGM IN PERFORMANCE MONITORING?

"End-2-End" is becoming a recurring definition to describe the new approaches utilised in the area of performance monitoring (and in banking, in general).

When this definition is not misused, an "End-2-End" approach implies that one activity (eg. a specific business process) is monitored from only two observation points: the input and the output. No matter what happens in the middle!

Applied to performance monitoring, "End-2-End" approaches produce the following implications:

- **Processes** - Processes can be more easily coupled with the business they are supporting;
- **Service model and monitoring model** - Moving from a "service by nature" performance monitoring model to and "End-2-End" model implies a redefinition of final output accountability and forces a redefinition of KPIs, which evolve from being based on production factors (MIPS, FTEs, Function Points) to being based on business drivers (number of transactions);
- **Market benchmarking** - An "End-2-End" perspective allows an easier comparison of service quality and performance with external market players, without the constraints of considering the different infrastructure, applications and organisation utilized for service delivery;

- **Compliance** An “End-2-End” perspective can potentially be unsatisfying for a Regulator, who requires each Bank to control its operating environment with an approach that allows to detect and understand in detail any cause of potential issue.

This list of implications clearly provides an indication that any plan to switch to an “end-to-end” performance monitoring approach needs a preliminary “trade-off” evaluation between the expected value added and the “change” effort required.