

## CASE STUDY: FINANCIAL AND MORTGAGE SERVICES PROVIDER

# Managing Risk and Enabling Growth for a Healthy Future

## The Challenge

Like so many financial services firms, a large mortgage servicing company was determined to better manage risk while enabling growth for a healthy future after surviving the 2008 economic crisis.

Across the organization, near-term accountability was clear as the company and its leaders had been scrutinized as a result of missteps taken immediately after 2008. The company's very necessary focus on its ability to cooperate with the various regulatory bodies and financial requirements ensured compliance but hampered efficient operations, for example, the processing of loans.

Not surprisingly, the compliance, risk, and loan servicing functions held one another responsible for the seemingly inevitable delays. Yet, even after the processes had been streamlined and new functional leaders named, the inefficiencies remained.

To ensure the company's long-term health and success, the senior leaders knew they had to identify the root causes, then develop and implement appropriate changes to the processes.

## The Solution

When asked to help identify the root causes and the many processes' respective bottlenecks, RHR International launched its Operating Culture Survey, which asked each of the compliance, risk, and loan servicing vice presidents and directors approximately 90 questions about how they work and get things done (or not).

The Operating Culture Survey is the crucial first step because it uncovers the actions leaders take that mold and solidify the operating culture. It unmask the effective, and ineffective actions as well as what is blocking efficiencies and results. The survey also focused on the perceived versus the actual level of collaboration and coordination across the three functions as well as their respective ability to flex and adapt to unforeseen situations and constraints.

The survey showed that all three functions—compliance, risk, and loan servicing—were aligned regarding their shared and respective goals but were unable to effectively prioritize and plan their actions. In addition, the survey showed that unless the senior leaders

got involved, there was a detrimental lack of urgency, collaboration, and coordination and a marked inability to eliminate the roadblocks.

## The Results

RHR International identified two key barriers to efficiency: the many redundant, overlapping processes, which, in turn, eventually required additional, unnecessary, and time-consuming reviews and poor communication practices.

The compliance, risk, and loan processing leaders streamlined their respective processes and digitized the control environment by implementing new technology platforms, which ultimately improved loan processing times by thirty percent.

The compliance, risk, and loan processing leaders launched new communications forums to enhance transparency, facilitate joint problem solving, and expedite decision making. Examples included a new daily check-in with key stakeholders from all three functions present as well as the implementation of Slack to facilitate team messaging. The forums provided

a quick, accessible resource that employees were comfortable using when they needed help. Formalizing and structuring the communications channels enabled constructive cross-functional interactions that helped teams solve problems rather than kicking them up to senior leaders.

#### **ABOUT RHR INTERNATIONAL**

RHR International LLP is an independent global leadership consulting firm whose mission is to unlock potential in leaders. Through its behavioral lens, RHR has worked side by side with CEOs, board directors, and senior executives for more than 70 years, helping them acquire the knowledge, wisdom, and skills necessary to achieve business results.

RHR's practical solutions, guided by in-depth analytics, lead to business outcomes that further clients' success. RHR offers Executive Bench®, Board & CEO Services, Senior Team Effectiveness, Leading Transformational Change, Executive Development, and Executive Assessment across industry sectors. For more information, visit [rhrinternational.com](https://rhrinternational.com).

RHR, RHR International, Executive Bench, Readiness for Scale and Scaling for Growth are service marks owned and/or registered by RHR International LLP. All logos and client trademarks are the property of their respective trademark owners.