



# Kaizen Reduces Waste in Currency Transaction Reporting Processes



### Problem

The CTR processes of a national bank had become overly manual and complex

### Solution

Alacer introduced Kaizen continuous improvement processes to relieve bottlenecks and eliminate unnecessary filing delays

### Results

40% improvement in CTR filing timelines; eliminated need for additional staffing

### Overview

Financial institutions have zero flexibility when it comes to reporting on large currency transactions. Because CTRs are one of the most informative tools the U.S. government uses to detect illegal activities, accuracy and timeline compliance are strictly enforced. Transactions need to be aggregated in order to detect attempts to elude these reporting requirements. For one large U.S. bank, this requirement evolved into paper intensive, inefficient and cumbersome processes that posed significant risk to the organization – not to mention increased labor costs. Before it hired additional staff, the bank asked the experts at Alacer for an alternative solution.

### Challenges

Despite its inefficiency, the bank had not received material regulatory findings with its current CTR filing process; as a result, the organization wasn't overly invested in creating improvements. Additionally, system limitations were the primary reason that paper-based and duplicative processes had developed. In order to more fully understand and document the bank's existing processes and risk, the Alacer team performed extensive reviews prior to introducing Kaizen and its potential for more efficient work flow.

### Results

Alacer first provided introductory team training in Lean concepts and tools, such as Fishbone diagrams and a Failure Modes and Effect Analysis (FMEA). It then helped the team identify and prioritize key risks and opportunities, finding critical gaps in transaction aggregations across platforms, obsolete regulatory requirements and unnecessary submission delays. As a result of new processes, CTR filings are 40% faster and the bank was able to support growth without adding additional staff.

