SIMULATION MODELING FOR OPERATIONS IMPROVEMENT AT A LEADING BANKING HUB

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By

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ABSTRACT

This study focuses on the utilization of simulation software to model the process flow of a banking hub. It is aimed at analyzing whether the management's goal towards a better delivery standard is feasible, and if so, how it could be achieved.

Statistical analysis is carried out to ensure that the model built could represent the actual scenario. Having proved such, an analysis of the current situation is done and weakness identified – enabling determination of whether that the management's goal bound by their defined constraints is feasible or not.

Having proven that the goals are not achievable, further studies are carried out using What-If analysis and recommendations on other available options will be presented. Finally, future studies and recommendations on how the study could be better improved shall also be discussed.

Keywords: Simulation, Modeling.

ABSTRAK

Kajian in akan mengfokuskan kepada penggunaan perisian simulasi untuk membina sebuah model yang merupakan proses di sebuah pusat perbankan. Tujuannya ialah untuk membuat analisis samada matlamat pihak pengurusan boleh dicapai, dan jikalau boleh, bagaimana.

Analisis secara statistik juga digunakan untuk membuktikan model tersebut berupaya mewakili situasi sebenar. Selepas pembuktian, analisis secara mendalam terhadap situasi semasa akan dijalankan supaya kelemahannya dapat ditentukan, seterusnya untuk mengenalpasti samada matlamat pihak pengurusan boleh dicapai.

Setelah membuktikan bahawa matlamat pengurusan tidak boleh dicapai, penyelidikan selanjutnya pula akan dijalankan dengan "What-If Analysis" supaya alternatif yang lain dapat dikenalpastikan. Akhirnya, kajian lanjutan serta cadangan untuk meningkatkan keberkesanan kajian ini juga akan dibincang.

Kata kunci: Simulasi, Model.

TABLE OF CONTENTS

			Page
PERMISSION TO USE			*i*
ACKNOWLEDGEMENT			*ii*
ABSTRACT			*iii*
ABSTRAK			iv
TABLE OF CONTENTS			*v*
LIST OF FIGURE			*viii*
Chapter 1:	**INTRODUCTION**		1
	1.1	Introduction	1
	1.2	SeaHub Operations and the Need for Efficiency	1
	1.3	Objectives of Study	4
	1.4	Method of Analysis	4
	1.5	Significance of Study	5
Chapter 2:	**MODELING AND SIMULATION**		7
	2.1	Introduction	7
	2.2	Why Simulate?	8
	2.3	Benefits of Simulation	11
	2.4	Successful Application	12
	2.5	Drawbacks of Simulation	16

Chapter 3: METHODOLOGY 19

3.1 Introduction 19

3.2 Data Collection 19

3.2.1 Intra-day Transaction Count 20

3.2.2 Unit Processing Time 21

3.2.3 Process Flow 22

3.3 Model Conceptualization 23

3.4 Model Development 25

3.4.1 Modules in ARENA 25

3.5 Model Verification and Validation 33

Chapter 4: MODEL ANALYSIS 37

4.1 Analysis of Data 37

4.2 What-If Analysis 41

4.2.1 Scenario 1 (No incremental cost, 10 working hours) 42

4.2.2 Scenario 2 (10 working hours, 3 hours turnaround) 43

4.3.2 Scenario 3 (No incremental cost, 3 hours turnaround) 44

4.3 Recommendation 44

Chapter 5: CONCLUSION 46

5.1 Summary of Findings 46

5.2 Recommendation 47

5.3 Recommendation for Further Studies 48

REFERENCES 50

APPENDICES 52

Appendix 1: Transaction count by hour throughout year 2004 53

Appendix 2: Output from Arena's Input Analyzer 54

Appendix 3: Output – Arena (based on current) 55

Appendix 4: Data of Actual vs Simulation (maximum cycle time) 59

Appendix 5: Output – Arena (based on targeted 10 working hour) 60

Appendix 6: Output – Arena (based on 1 additional authorizer) 64

Appendix 7: Output – Arena (Scenario 1) 68

Appendix 8: Output – Arena (Scenario 2) 72

LIST OF FIGURES

Figure 1	Transaction count by hour within the day (52 weeks' data)	20
Figure 2	Transaction count by hour within the day (average of 52 weeks' data)	21
Figure 3	Time taken to process a transaction by processor and authorizer	21
Figure 4	Basic Operation Flow – from Seabank to SeaHub to SeaBank	22
Figure 5	Concept model of SeaHub's operation flow	23
Figure 6	Model developed in Arena representing SeaHub's operation flow	25
Figure 7	Scheduled entities arrival	26
Figure 8	Processor's work schedule	27
Figure 9	Authorizer's work schedule	28
Figure 10	Resource Clerk and Officer (Processor and Authorizer) scehedule	29
Figure 11	Arrival rate of entity into system	30
Figure 12	Process Module of Processor	31
Figure 13	Process Module of Authorizer	32
Figure 14	Output summary for 5 replications	33
Figure 15	Output value of Entity1.TotalTime for all 5 replications	35
Figure 16	Comparison of actual vs. simulated data	36
Figure 17	Output value of Queue.WaitingTime for all 5 replications	37
Figure 18	Output value of Entity1.TotalTime and Queue.WaitingTime for all 5 replications based on 10 hours schedule	38
Figure 19	Comparison output value of resource utilization for all 5 replications based on 12 hours schedule and 10 hours schedule	39
Figure 20	Output value of Entity1.TotalTime and Queue.WaitingTime for all 5 replications based on 10 hours schedule plus a additional authorizer	40

Chapter 1

INTRODUCTION

1.1 Introduction

SeaBank, one of the leading financial institutions in the world today has a global reach of more than 100 countries around the globe since 1997. Among its long list of world first, is the successful setup of their regional processing centers in various parts of the world. SeaHub is one such center in Malaysia that handles all transactions from all SeaBank branches in Asia Pacific. It was set up in the early 1990s to reap from the advantage of economic of scale via centralized resources of highly skilled staffs. It had been a major success in the industry term, where a lot of other banks had tried to follow suit since it does make a lot of sense coming from cost control point of view.

The last few years had many other banks doing the same thing, though not all were successful. With the many of them reaching the same level of competitiveness, SeaHub now has to embark on new initiatives that will help boost their "superiority" that they had long enjoyed. In this highly saturated market, SeaHub has to ensure that their initiative will far differentiate them from competitors and more importantly, will not incur additional cost as SeaBank does not anticipate any growth in business for the next coming year. And they have to act fast.

1.2 SeaHub Operations and The Need for Efficiency

SeaHub operation could be likened as a back-office of SeaBank. That said, it means that all customers going to SeaBank only sees the person at the counter (front office)

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