

## RMBI4110/ ISOM4840 - Financial Service Operations Management (2020-21 Fall Term)

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### General Information

- Teaching Mode: Face-to-Face + Zoom
- Lecture: Tue Thu 09:00 – 10:20
- Instructor: Prof. Suri Gurumurthi <[imsuri@ust.hk](mailto:imsuri@ust.hk)> Rm: LSK 4061
- TA: Jing Jia <[imjing@ust.hk](mailto:imjing@ust.hk)> Rm: LSK 4065

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### Course Description

Financial activities are the most important and fundamental economic activity in any modern economy. We focus on the structuring of key financial service processes in different sectors and adopt a systems perspective. We consider a wide range of service and product fulfillment processes from different sectors including commercial banking, insurance, and other investment banking. Starting from key productivity and performance measurements, we will examine issues of quality control and operational risk in these various sectors. The course concludes with intersection of automation and customization of financial services and operations, and the resulting new development and trends in the industry. Examples include AI, blockchain, fintech, mobile payments, wealth management, and their fundamental value propositions.

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### Course Learning Outcomes

After completion of the course, students will be able to:

1. Understand and explain the important financial institutions and markets in general.
2. Explain the business processes and product delivery channels of financial institutions (FIs).
3. Explain and identify the appropriate performance measurements for the business processes of FIs.
4. Compare and evaluate the performances of the business processes for continuous improvement of the FIs
5. Compare and evaluate the performances of the business processes with respect to some of the benchmarking regulations (like Basel II, and later Basel III).
6. Design and critique business processes for improving the productivity and service quality of the FIs.
7. Integrate and evaluate the different business processes in the organization to create competitive advantages for the FIs.
8. Innovations in financial service, Fintech, Payment (focus on mobile payment), wealth management, and new trends in financial services industry.

### Required Learning Materials

The main teaching and learning materials are lectures, case presentations and discussions during class meeting time. There is no required textbook for this course. We will use class slides and notes, cases, and articles to deliver the learning objectives. The cases can be downloaded from the Canvas Module titled "Case Materials". These are pre-authorized and paid for, and distribution is restricted to enrolled students in the class.

## Course Assessment

Areas of assessment	Percentage
Class participation: Attendance, participation during lectures, case discussion and presentations	10% (5% top-up)
Case Assignments and Quantitative Assignments	30%
Startup Game: Content and presentations	20%
Final examination	45%

## Class Participation

Class participation requires attending most sessions and asking and responding to questions, and posing interesting questions and sharing relevant comments. **For each case analysis, 1 point per case is reserved for individual class participation during the class discussion of the case.** There is a 5% top-up element to class participation, and students through attending and participation verbally in class can acquire these points. Attendance alone is not a guarantee of class participation points, but active engagement will be key. The instructor also reserves the right to examine the impact of the contributions and look at the consistency of the participation through the term to award these points.

## Case Assignments

There are 5 case assignments as outlined in the course schedule below. Students will form teams of 4, soon after the end of the add-drop period. If you are unable to find a team-partner, the TA will help match the potential team-members. For each case, (i) all students will be expected to read the entire case themselves, (ii) support their team write-up, and (iii) further be prepared to discuss the case issues in class. There will also be a few spreadsheet exercises on analytical topics.

## Course Project

We will play a so-called startup game towards your course project. More details will be provided in the first class. This will also be a group activity. We will play two rounds with the first round as practice and analysis/experimentation, while the second round will be competitive.

## Final Exam

There will be a comprehensive final exam at the end of the semester. There will be a study guide posted based on the slides and class notes. The final exam will consist of 60 questions, all multiple choice format, and will be conducted over 2.5 hours. Final exam will be open materials (slides, analysis or spreadsheets, notes that I might have shared).

## Course schedule (Draft)

Week	Topic
1	Overview of course; Introduction to Financial Services
2	Fundamentals of Service Operations and Strategy
3	Service Encounter and New Financial Service Development in Financial Systems
4	Charles Schwab Case (case write-up due Sept 28th end of day)
5	Banking Service Facilities and Customer Workflows Bank of America Mobile Banking Case (case write-up due Oct 8th )
6	Estimating and Planning for Workflow Delays Distributed Banking and Networked Services; Data Envelopment Analysis – Concept and Applications
6	Networked Financial Service Issues; Data Envelopment Analysis
7	Eastern Lotus Bank Case (case write-up due Oct 19 <sup>th</sup> ) Principles of Financial Services Quality and Risk Management
8	RegTech at HSBC Case (case write- up due to Oct 26 <sup>th</sup> ) Lean Six Sigma and Financial Service Process Improvement in Banking Institutions
9	Ant Financial Case Discussion (case write-up due Nov 2 <sup>nd</sup> ) FinTech Strategies and Implications
10	Start up Game First Round Overview and Start Supply Chain, Resilience, Contagion Risks, and Basel-III
11	Big Data and AI Applications in Banking Blockchain and Applications (Startup Game Round 1 Analysis Due)
12	Globalization Strategies Covid-19 Pandemic and Implications
13	Start-up Game Second 2 Presentation & Analysis Due Course Review