

## Process improvement with a difference

Setanta's Blitz methodology enables you to make rapid, major process improvements - *and* sustain the results



### Issue

Most organisations are working at improving processes. Many find that their efforts can take longer and deliver less than they promise. Setanta's experience shows that businesses can achieve much more if they:

- **Go fast and deliver results early** - traditional problem solving approaches often take many months, even years. Teams can burn out in a purgatory of endless meetings and underachievement.
- **Raise their sights** - set transformational (> 50%) not incremental (10-15%) goals. Many processes need to be re-invented, not modified. Only seriously challenging goals will provoke this.
- **Build line ownership** - many improvements fizzle out all too early. Teaching process managers and staff to constantly improve their processes is essential. This way they own and thus sustain initial gains.

Processing centre managers were even taking stacks of applications home each night, but still the average loan processing cycle had grown to 16 days.

Guided by Setanta consultants, the Blitz team found that:

- Entry onto the branch PC occurred after the client had left because the application form was different to the screen layout. Certain data was entered a third time in the processing centre in order to evaluate the application.
- Some of the data on the application was never used by the processing centre. Similar data was already available from existing records.
- Loan applications often went to and fro between the back office and the branch, to be discussed and reworked. In extreme cases this could mean up to five separate visits to the branch by the client.
- 28% of applications were either refused by the processing centre or abandoned by the customer.

Two weeks after starting the team had developed and piloted a new process at one centre with six related branches. Only one client contact was now needed and business started picking up noticeably in these branches within a month.

Other branches were quickly brought into the process. The pilot reduced average handling time from 16 to 3 days and cut rejections from 28% to 8%.

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### Speeding up loan approvals

In this bank the process of centralising loan applications into three processing centres had gone pretty well, or so they thought. Further adjustments were required a few months later.

A Blitz team was selected from front line and back office staff. Within days they discovered that, far from improving, the Bank was beginning to lose market share. Some loyal customers stated they could get a loan over the counter elsewhere - but were being treated like convicts in their own branch.

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Further pilots in the other two regions achieved similar results. The new process was quickly rolled out to all branches and plans were then developed to reduce three days cycle to two.



### Eliminating unnecessary work

Another internal Blitz team worked on in-branch sales processes. They discovered that when an account was opened or closed a document 'package' was sent to the service centre. Staff there rigorously micro-fiched all documents for record purposes.

The Blitz analysis showed that up to 33 documents were provided for some packages. Further enquiries proved that often only three of these were essential. For some time, nobody had thought to challenge a process which had simply grown and grown.

Front line staff and their back shop colleagues completed their analysis in 4 days and were then able to eliminate all unnecessary documents.

With this and one or two other similar adjustments, most branches were able to release two FTE worth of sales time - a 30% productivity gain when extrapolated across the whole network.

In addition, the service centre saved the time of five staff - no longer needed to manage micro-fiche records.

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### Retaining customer accounts

As part of its work, a Blitz team analysed the main causes of customer defections. One important issue was the closure of client accounts on death. After probate, many executors closed accounts and transferred balances elsewhere. 7000 accounts and £25m of funds were lost to the Bank in the previous year.

The Blitz team designed a process for highlighting notifications of client deaths to the local branch for action. Branch managers started calling to offer condolences and help. Everyone was nervous at first of giving the wrong impression to the bereaved - but surprisingly the response was extremely positive.

In the first 3 months of the new approach all but 120 outstanding accounts were retained. Subsequently, the provision of will and related services tripled with a net increase in funds held on 1,875 savings accounts. The team were well on their way to their target of retaining the full £25m each year.



### The value of blitzing

Setanta's approach has been adapted from successful manufacturing experience and is based on eliminating *muda* - all rework, duplication, delay or inefficient working in a process. It delivers significant results early and ensures these results are sustained. ■



**Joe Liddane** has over 20 years of consulting experience within the financial services sector. His reputation within the market and his knowledge of industry issues have allowed him to build long-term relationships with key industry figures



**Jim Van Patten**, is a senior associate and consultant who has helped a wide range of major organisations to implement new ways of improving processes.

#### For more information

t: +44 (0)20 8343 4447

e: [jliddane@setantapi.co.uk](mailto:jliddane@setantapi.co.uk)

w: [www.setantapi.co.uk](http://www.setantapi.co.uk)