

in depth:

# Embedding Lean Improvement with Visual Management

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## BACKGROUND

Bank of Cyprus has been established in the UK for over approximately fifty years and is essentially a business bank. In the UK, the bank has a main site in Southgate, with a head office and Corporate Banking office in central London, and business centres in Croydon and Birmingham. In the recent past, the bank has closed several small branches in North London, where it has traditionally served the Cypriot community. It operates mainly for business purposes, but with a small element of personal banking. In bringing the work of several branches into one centre in Southgate, the processes from different branches combined in a fairly ad-hoc way.

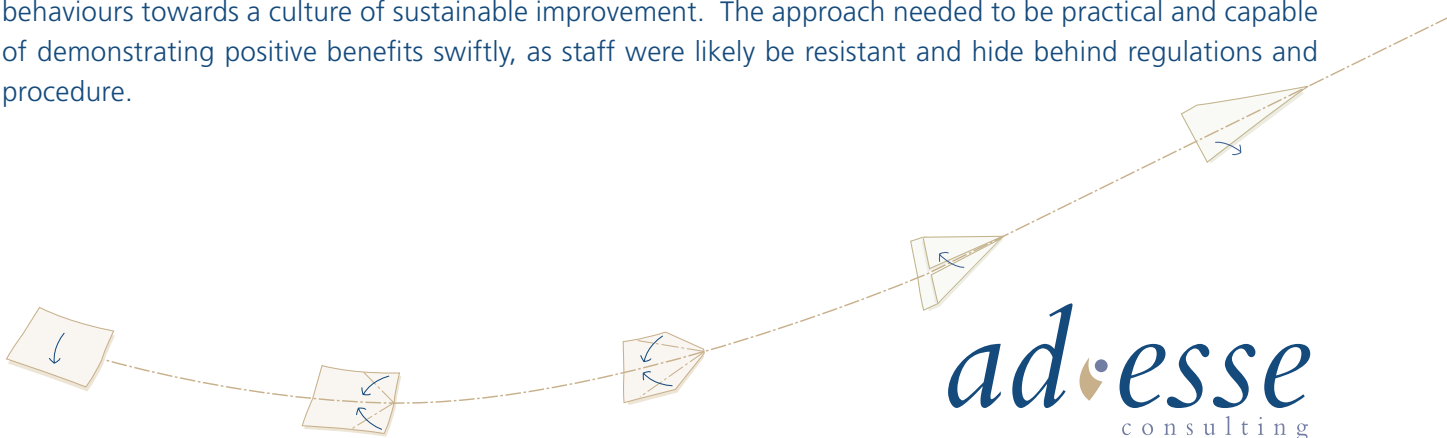
Bank of Cyprus UK has a traditional staff working in a long-established culture, complex processes, and detailed procedures. Whilst the bank had limited quantitative data, they were aware that customers were feeling somewhat dissatisfied, with branches having been closed, and some customers displayed a degree of reluctance in using new technology to manage their accounts rather than the personal service to which they had become accustomed.

## *From Possibility...*

The bank is at a point where it needs to reduce costs and at the same time improve customer service. When Ad Esse started working with Bank of Cyprus UK (BOC), the Customer Services Centre already had an ongoing project looking at the organisational structure and how work teams should be organised.

During our meetings with BOC, we were able to learn more about the bank's ambitions and drivers, and we discussed their desire to focus on the Account Opening process. This process was complex and not working well. A number of different people were involved in the various aspects of accounts, such as issue and maintenance of cards and online banking, and when the process went wrong it caused continuity problems for the customer. On further discussion with Senior Management, we decided to also look at the Clearing Process and the Contact Centre processes as these had similar issues to the Account Opening Process.

Ad Esse were asked to improve processes, not only to eliminate waste, but also to reduce errors and improve customer confidence. We realised early on that we would need to begin by changing staff attitudes and behaviours towards a culture of sustainable improvement. The approach needed to be practical and capable of demonstrating positive benefits swiftly, as staff were likely to be resistant and hide behind regulations and procedure.



## OUR APPROACH

### Stage 1 - Diagnosis

The first step was to spend time with Senior Managers and supervisors to clarify how to tackle the project and gain a clear view of the challenges. Our initial diagnostic activity identified that:

Very little quantitative performance data was captured. What was captured was looked upon as being for the benefit of the management team and did not form a part of how day to day operations were managed.

There was no sense of flow. Work moved back and forth between the members of the team. There were also a significant number of problem piles even though work was checked and then double checked by a supervisor.

The knowledge base existed with particular people within the organisation. This led to a certain amount of disruption due to a lack of clarity around key processes and team members needing to regularly clarify issues. It also led us to believe that there was an urgent need to identify skill sets to ensure that enough team members were sufficiently skilled.

There was an element of silo thinking due to the lack of communication and understanding of how the output from one department actually influenced the flow and processes within other departments. A significant amount of time was lost on chasing up of material and data as well as following up on requests and decisions. As a result of the ad-hoc approach, keeping track of what needed to be done was difficult.

It became quite apparent that there was a need to put in 5S (a Lean technique) and Visual Management systems. While walking around the office, on occasions you would hear people say 'I just left the documentation here a couple of minutes ago and can't seem to find it' with more time then spent on tracking it down.

In the Contact Centre team, there was no visibility of when agents were off the phone on 'Make Busy' which was either to recall customers, address mailbox requests or taking lunch, which all affected the abandoned call rate.

There was duplication between the different processes stages, as well as a large amount of tracking done with the aid of spreadsheets even though the majority of data was already captured on the system.

There was a perceived need across the departments for more resources to handle the increasing work load. This was consistent with the backlogs and people working overtime or coming in early together to complete the beginning and end of day requirements.

There were significant spikes in unanswered calls during certain times of the day. In addition, about 50% of the calls answered had 'call backs' because there was a need to check information with one of the other teams before a response could be provided to customers.

## **Stage 2 – The Rapid Improvement Workshops (Kaizen Blitz).**

We ran three blitz workshops, each over a 2 day period. In each case we involved team members and staff from other parts of the bank. The Blitz workshops were based around incorporating Lean thinking, getting the group to understand the Lean tools and techniques and understand what a good process looked like.

### **The process for the Blitz was twofold:**

Firstly to work with the team to put together the process maps in as much detail as possible and then understand and differentiate between non value added and business value added activities. We then worked to identify all issues and problems associated with the process and, where possible, isolate the root cause. The next step was to develop the best realistic process by the end of the blitz.

The second stage was identifying all the actions required to bring about this improvement, develop a revised process and identify all the procedures and paperwork to support the new process. All actions were listed, with those leading to quick wins highlighted for immediate investigation. All actions were then ranked by the time required to carry them out. The key was to focus on those that the team could handle during the blitz process. They then worked in sub groups to develop solutions and an implementation plan with clear responsibilities and timelines.

Using the blitz approach not only enabled the teams to focus on the desired objectives without interference from 'normal' operational requirements, it also allowed a skills transfer process, where each member of the team developed their own process improvement skills and knowledge. The added benefit of the focused blitz approach is that the team members own the outcome to a much larger extent since they have invested significant personal time and energy to deliver it.

## *To Actuality...*

The 'as-is' maps provided the basis to develop a series of action plans, some of which could be implemented immediately, whilst others would require longer term actions owned by the CSC Manager.

### **The actions that could be carried out in a week included:**

- Stopping double checking of work and where errors were negligible. This involved the introduction of error proofing so that work was checked at source with relevant checklists rather than being passed onto a second person or a supervisor. In the example studied, this released up to 16 hours a week in one team and about 60% of a supervisors time.
- Using the in-house messengers to deliver work to the different departments rather than team members spending a significant amount of time collecting work from across the bank.
- Reports from the clearing team to be scanned every evening to the CET team as well as error codes made available. This would reduce the time spent by the CET team on confirming rejections on cheques by about 66 hours a week as the information would be available to them when needed. This in turn would reduce the level of call backs down from 70% of all calls received to 20%, reducing outgoing call costs and enhancing customer value.
- In order to reduce the spikes of abandoned calls, we introduced a 5 minute changeover overlap of agents at lunch and breaks. In addition, visual management was introduced to help identify when an agent was on 'make busy'.

## THE RESULTS

### Accounts Opening Process:

Within a week of completing the workshop, all backlogs were eliminated, along with an improved flow of work into and out of the section. The team also incorporated a method of measuring and tracking work and showing performance visually. Accounts are now being opened on the same day by the same person as compared to a two day period previously. The team has also stopped double checking of work, with the work now checked at source with the use of easy to use checklists. In addition, they have stopped certain non value-added work identified in the blitz; releasing more time and enhancing efficiency.

Overall time saved is about 24% of total FTE of the area if all actions identified are implemented.

### Clearing Process:

Within a day of the workshop being completed, there was no more overtime with all of the work being completed on time as a result of the pinch points being addressed. We will also stop double checking of work by fellow team members and supervisors thereby releasing significant time spent and thereby allowing the supervisors to spend time on what was important; focussing on team management and skills development.

Overall time saved is about 20% of total FTE of the area if all actions identified are implemented.

### CET team

The team has improved communication between the Clearing and the CET team. This in turn will feed into a reduction in the number of call backs that the team makes. Call backs will fall from about 50% of all calls received to about 20%, which has a significant impact on customer satisfaction with queries being addressed while they are on the phone.

There was also an understanding that the monitoring systems in place did not provide the team with all the relevant information. Because there was no clarity of who was off the phones to attend to the inbox or making call backs, the blitz introduced the concept of visual monitoring for the 'Make Busy' function. The introduction of overlapping breaks and the better planning of call backs reduced the number of abandoned calls.

Overall time saved is about 27% of total FTE of the area if all actions identified are implemented.

## OVERALL BENEFITS

### The benefits from the Blitz included

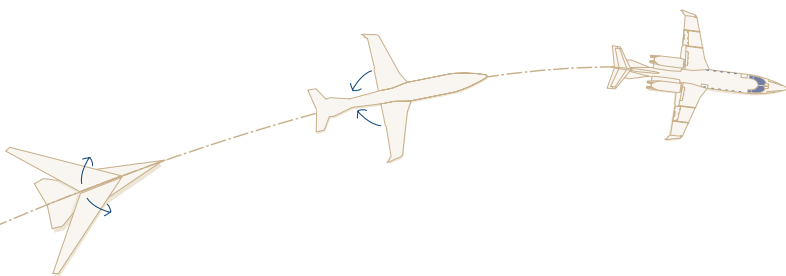
- A revised process covering Accounts Opening, Clearing and CET Management
- Process elements that allowed for an emphasis on value adding work and reduced cycle times with a focus on improved customer service.
- The recognition that resource was not a constraint in daily operations and that improved processes would release resource.
- The recognition of the need of better inter-department communications with a plan to be put in place to better understand who does what within the organisation.

However, the benefits of the process were not only in terms of improved numbers but also the transfer of skills to the members of the Blitz team. There was of the implementation of Visual Management tools and techniques which enabled better tracking of day to day performance. In addition, the development of a skills matrix led to a better understanding of the current level of skill sets within the different teams.

The Blitz left an action plan for the medium and long term issues. The actions for these issues required a certain amount of senior management intervention or discussions at senior management meetings together with technical changes or updates to be done in conjunction with the Systems team.

*'The workshops were good as they made us see the possibilities of the department and how we can become better at what we do. It has also made me more aware and more enthusiastic about the section and I hope that we can take from these workshops and improve as we all hope to'* - **Senior Customer Service Officer**

*'Staff came into the workshops saying we needed more staff and left them slowly realizing that if we critically examined our processes we could do the work without any extra staff'* - **Head of Customer Services**



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