

Background

The business unit formed part of a major retail bank's Credit Operations and had the purpose of recovering debt, achieved by liaising with 3rd party 'advice bodies' who acted on behalf of the bank's customers.

Over 30 people worked in the unit, with plans to recruit more. The staff were attempting to manage a backlog of c.10,000 work items, stretching back 24 days vs. a 5-day service level agreement.

There was a high variability in standards between staff and poor levels of quality, caused by poor process control and a general lack of effective operations management.

Approach

A **Reinvigoration** consultant used a 12 week Lean transformation approach to drive improvement. The key details of which were:

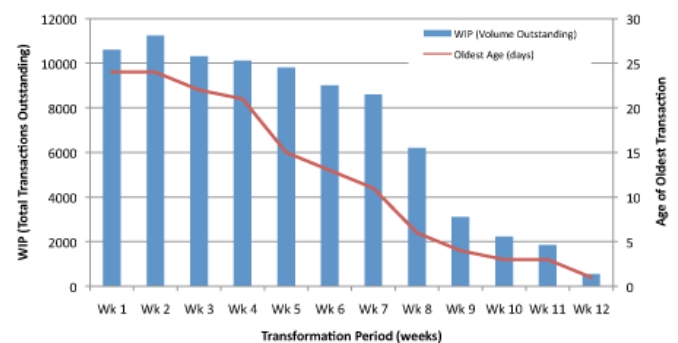
- Analysis of the current backlog revealed high levels of failure demand (multiple work item re-entry) caused by poor turnaround times. The team was re-organised to focus primarily on cases received that same day. The remaining staff worked on the backlog and soon found that their pieces of work had already been processed. This slashed the date of the oldest work item
- Local staff were facilitated in process mapping sessions to initially understand and then remove all process variation that existed. Waste was identified and removed resulting in increased efficiency
- Once implemented, adherence to the new 'best way' of processing was monitored

- A short interval control board was implemented to allow the team to track progress against the daily work plan
- Other key operational measures linked to quality, cost and delivery were also displayed and tracked, allowing further improvements to be identified
- Senior staff were coached to ensure that they retained the capability to sustain improvements through effective operations management

Results

The results of the project were significant with:

- Capacity creation of 9 FTE, equating to repeatable annual cost savings of £180k
- Age of work in progress (WIP) reduced from 24 days to within 5-day service level agreement
- Volume of WIP reduced from c.10,000 items to 500
- Over 100% increase in staff productivity
- Improved quality in key areas of the process



Reinvigoration

Dalton House
60 Windsor Ave
London
SW19 2RR

tel: 0800 0286703

fax: 0844 6648165

www.reinvigoration.co.uk