



“Leaning” a Training Process for a Leading Irish Retail Bank

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Agenda

- **Introduction**
- **Project Background**
- **Introducing Value Stream Mapping**
- **Implementing Value Stream Mapping:**
 - Mapping the current state
 - Developing the future state
 - Planning and implementing future changes



Introduction

- ◆ Gerry Silke - Lean Financial Services Consultant
- ◆ 9 years+ experience in the IT and Financial Services sectors
- ◆ Joined Leading Edge Group in 2008 as a Lean Consultant and Trainer
- ◆ Previous roles include:
 - Project Manager
 - System Test and Quality Manager
 - Trainer



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Project Background

- ◆ Leading European retail bank
- ◆ Activities include business banking, investment banking, retail banking
- ◆ 10,000+ employees
- ◆ Customers located within Ireland, UK, Europe, North America, and Asia



Project Background

- ◆ Review undertaken of the Corporate On-line Business System (COBS) customer sign-up process
- ◆ COBS web site is the main interface between the organization and its corporate customers
- ◆ Scheduling COBS training for new and existing customers represented a bottleneck in the overall customer sign-up process
- ◆ Sales team were delivering on target, however training was not keeping up
- ◆ Project initiated to carry out a Value Stream Mapping (VSM) exercise on the scheduling of the COBS training



Current Process Background

- ◆ Training requests received daily on spreadsheets via e-mail
- ◆ Spreadsheets manually collated and sorted
- ◆ Customers contacted by phone and call logs generated by hand
- ◆ 5 regional hard copy coordinator diaries updated with training appointments
- ◆ MI reports generated weekly based on diary entries and call logs
- ◆ 1 Training Scheduler and 3 Trainers on the road



Project Objectives

- ◆ Streamline the scheduling of training to remove wasteful or non-value-adding elements
- ◆ The following process improvements/changes were planned:
 - Decrease the amount of time taken to schedule training for COBS customers
 - Replace manual paper-based system with a computerized version



Leading Edge Group Role

- ◆ Demonstrate and apply 'Lean' techniques
- ◆ Leading Edge Group Consultant:
 - Facilitated workshops with Coordinators and Trainers (users of the process)
 - Documented and agreed on the current and future state maps for the process in conjunction with users
 - Advised the bank on the specific Lean tools that could be applied to the process



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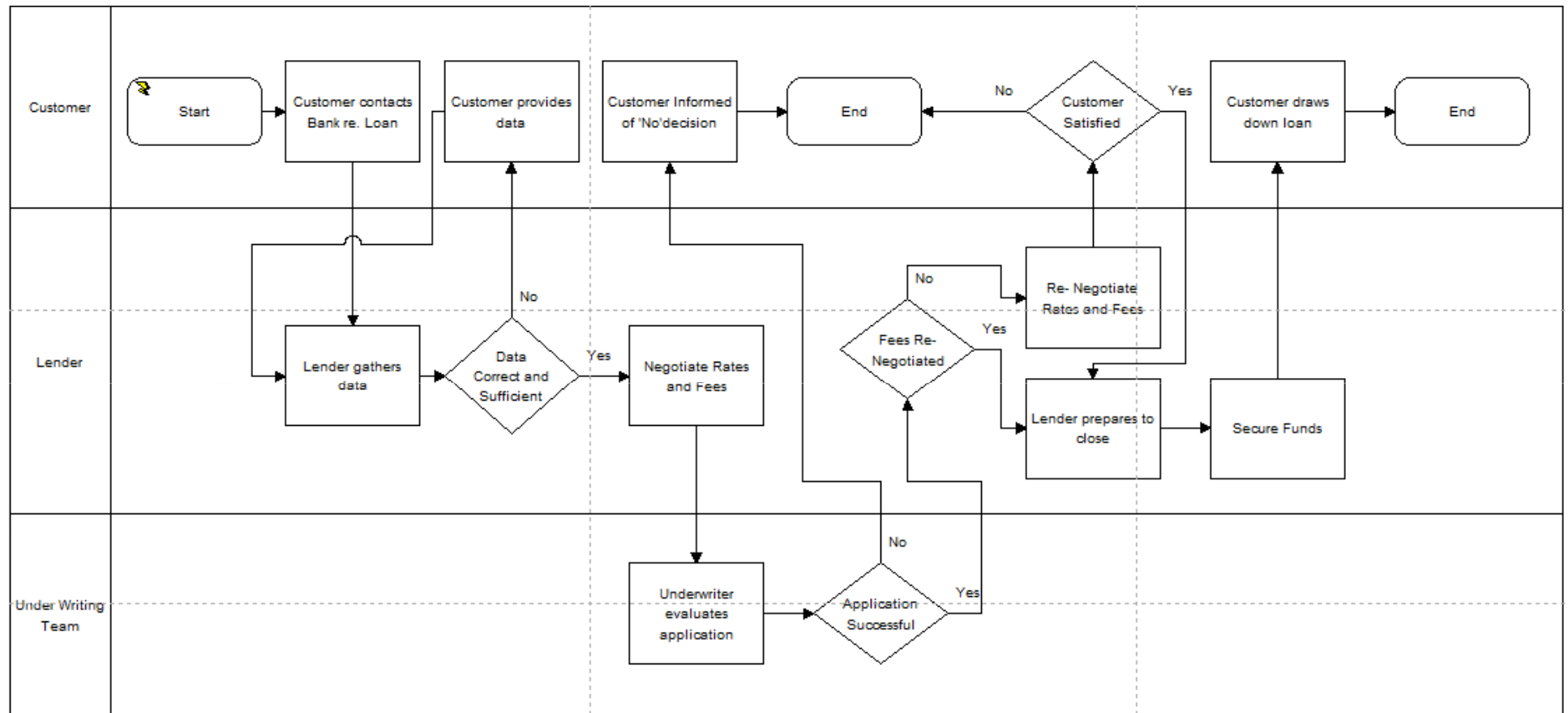


BPM Vs. VSM

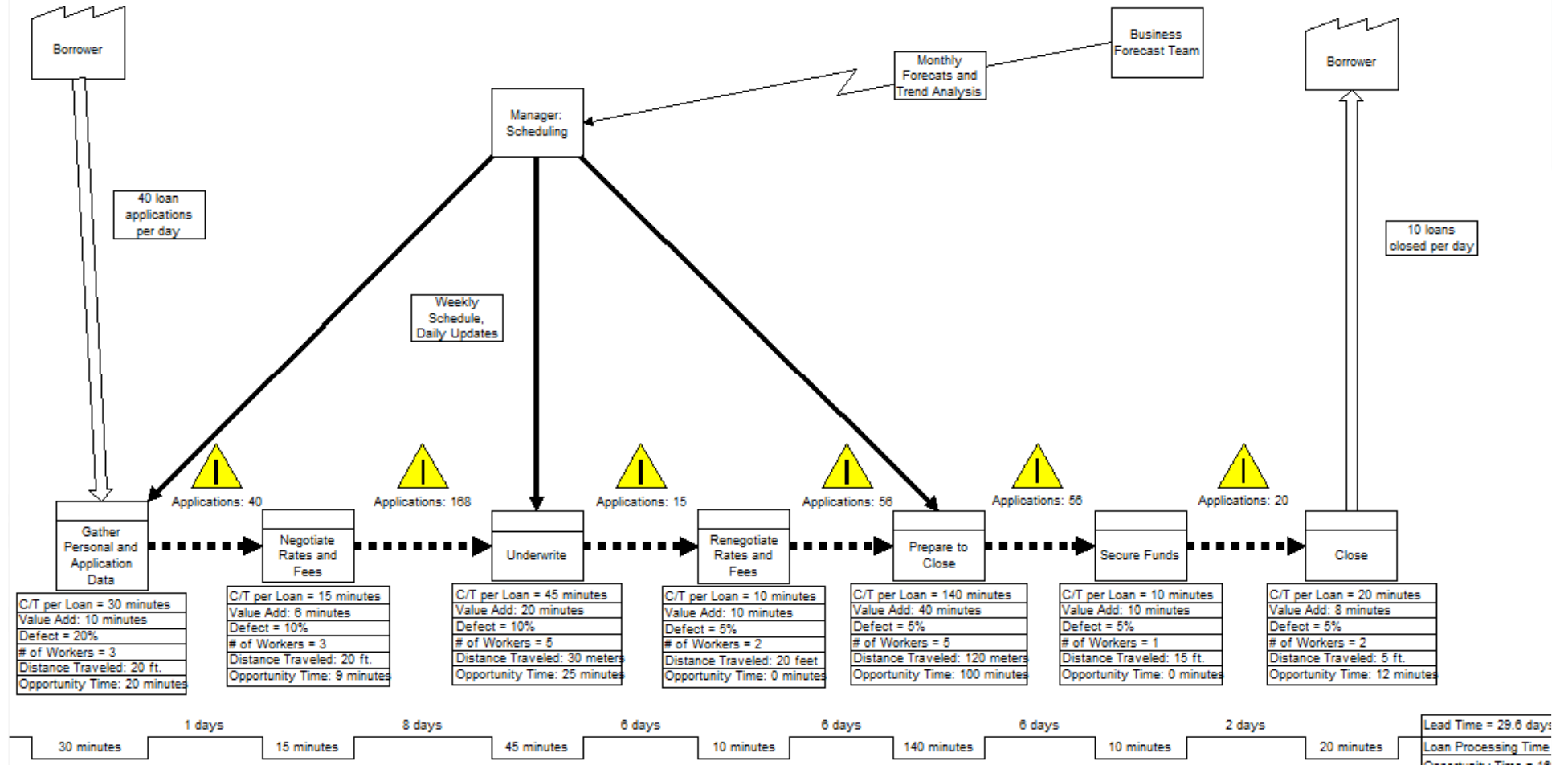
- ◆ Business Process Mapping/Modelling (BPM) and Value Stream Mapping (VSM) both depict current ('As-Is') and future ('To-Be') states
- ◆ BPM illustrates the functions associated with a process and the teams that perform these functions
- ◆ VSM illustrates the aforementioned functions as well as allowing for a more in-depth analysis through gathering relevant process data and metrics



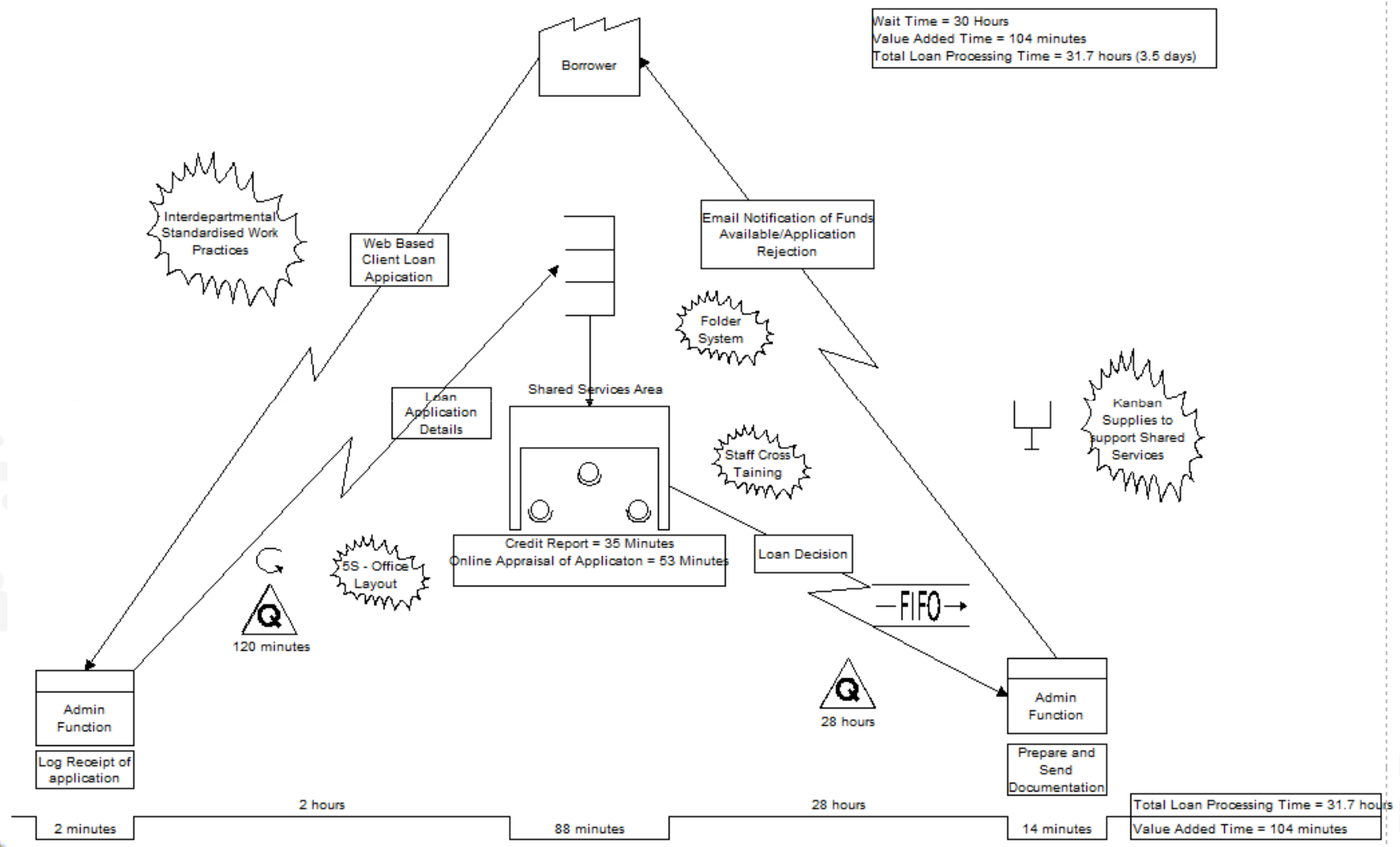
BPM Loan Application – ‘As Is’



VSM Loan Application – Current State



VSM Loan Application – Future State



Introducing Value Stream Mapping

- ◆ Follows a product or service from beginning to end
- ◆ Visual representation of every step and activity in the flow of work through the process
- ◆ All aspects of the process are represented - resources used, times involved, etc.
- ◆ Provides a blue print for identifying and realizing quantifiable process improvement opportunities



Introducing Value Stream Mapping

- ◆ Enables organizations to convert processes from a 'push' to a 'pull' system –
 - 'Push' System - where units of work, materials, resources, etc. are pushed through the system to meet operational needs or because of available capacity
 - 'Pull' system - where units of work, materials, resources, etc. are pulled through the system based on customer requirements, thereby reducing bottlenecks and queues



Value Stream Mapping – Main Steps

1. Select a process
2. Map the current state of the process:
 - How the process actually works
3. Map the future (Lean) state
4. Plan and implement future changes



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Mapping the Current State

- ◆ Current state map:
 - Defines all relevant process information
 - Documents customer information
 - Quantifies inventory/units of work
 - Establishes information flow - how does each element process know what is next?
 - Identifies where information is being pushed rather than being pulled
 - Quantifies lead time against processing time



Mapping the Current State - Steps

1. Define the main operations within the process
2. Determine the number of items that require processing
3. Measure area process specifics:
 - ✓ Number of staff utilized
 - ✓ Number of shifts
 - ✓ Cycle time – time taken to complete one step
 - ✓ Available working time
 - ✓ Error/rework rate



Mapping the Current State - Steps

4. Identify how items move – push or pull?
5. Identify customer demand
6. Ascertain how often items that require processing are received
7. Add process information – used to drive out the process schedule
8. Add 'stepped line' to the map – lists the cycle time for each process step
9. Calculate total process and value-add time

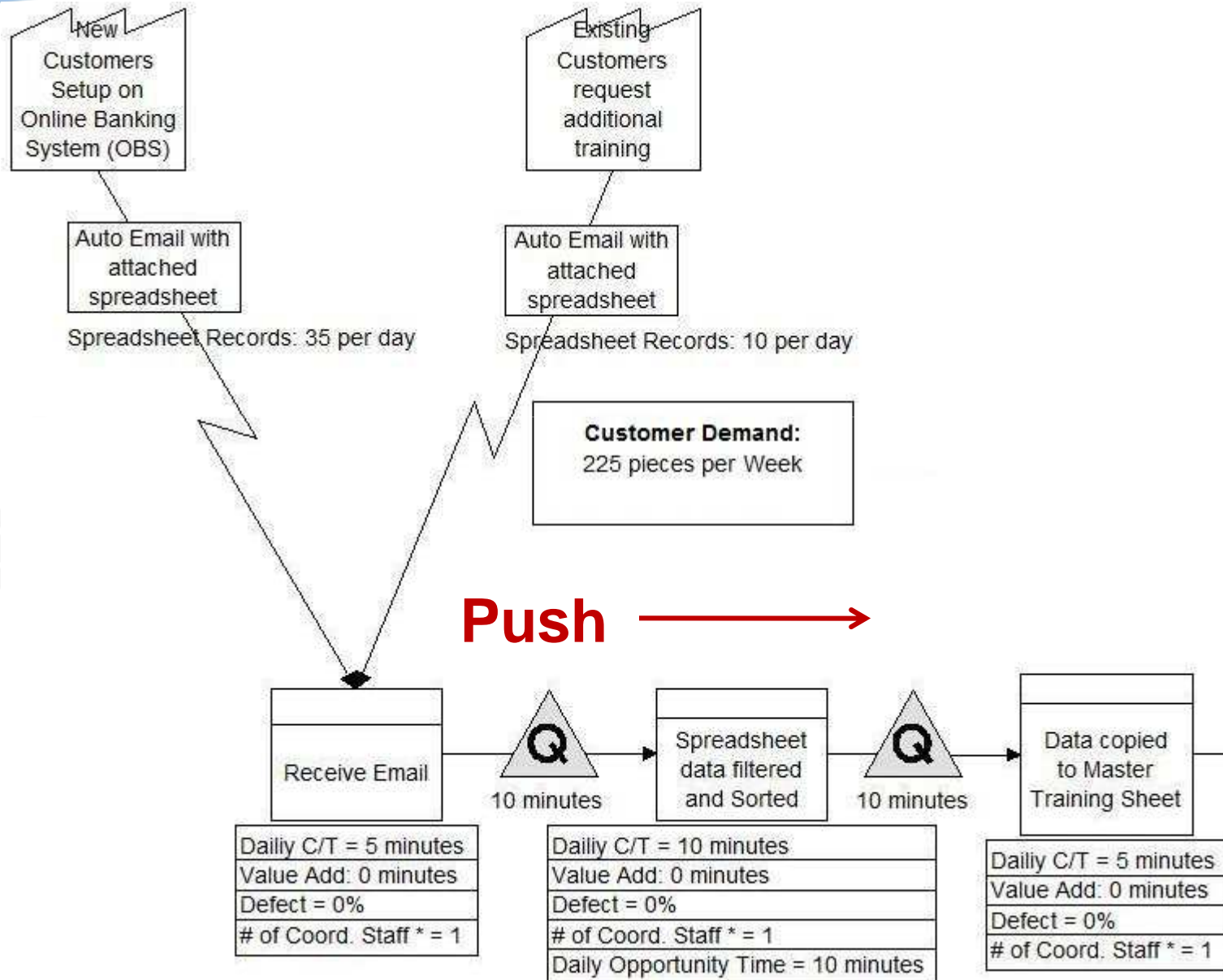


Mapping the Current State

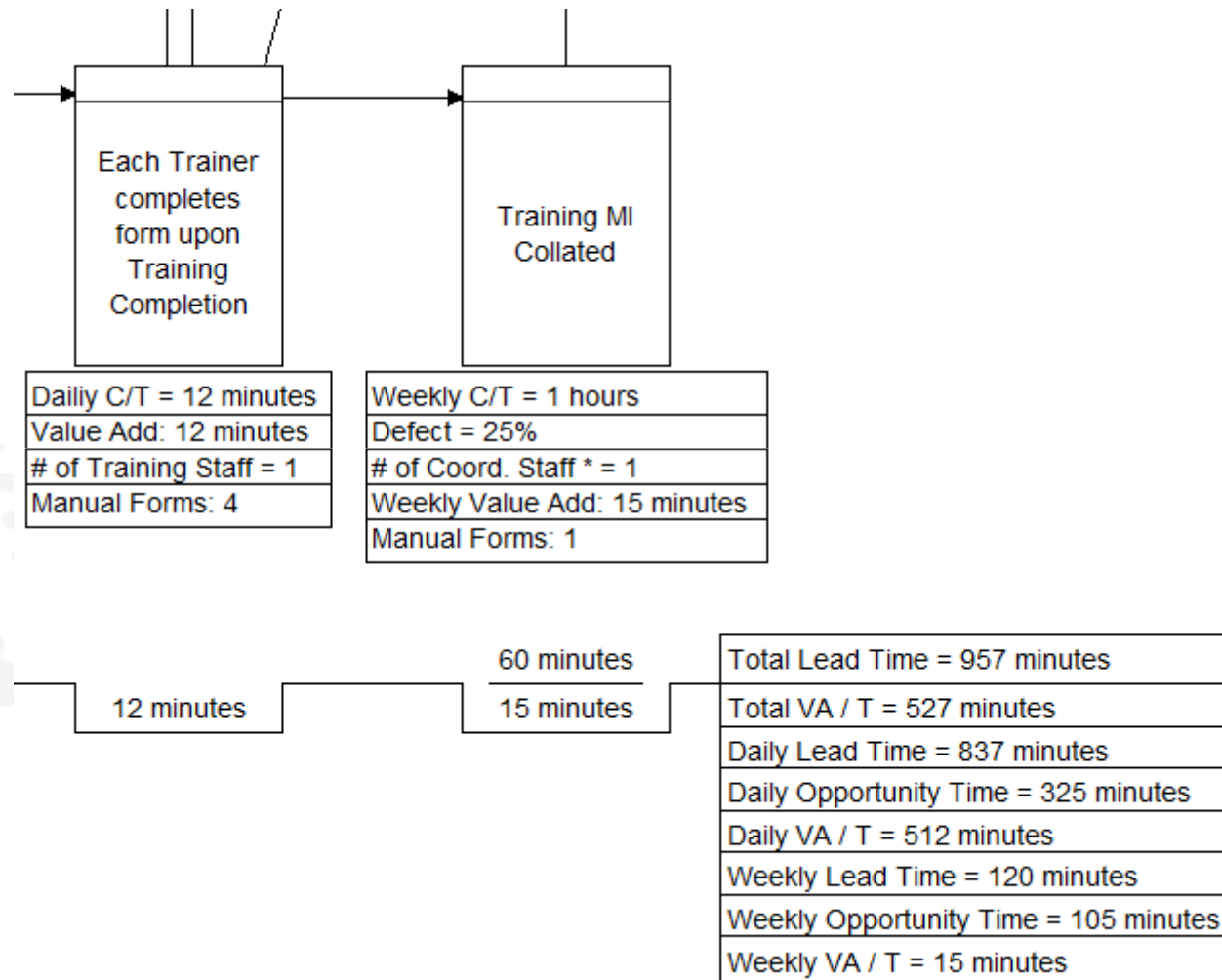
- ◆ Walked through the process
- ◆ Informally interviewed management:
 - Gathered initial and primary data on the process
- ◆ Attained secondary data:
 - Internal data
 - Workshops with users of the process
 - Gained feedback from users to establish what works well, what problems exist, and what areas could be improved



Current State Map



Current State Map Continued



Current State Observations

- ◆ 1.5 hours per day - organizing call lists and updating the master training sheet
- ◆ 2 hours per day - organizing and posting the customer passwords for COBS
- ◆ 7 hours per day - contacting customers and scheduling training
- ◆ 2 hours per day - manually updating the five Regional Co-ordinator diaries



Current State Observations

- ◆ The Coordinator spends 1 hour per week dictating the following weeks' appointments to the relevant Trainers.
- ◆ The Trainers have to manually enter the appointments into their diaries:
 - The Coordinator spends 1 hour per week collating the MI report for the Training Manager
 - Of the 8 hours in a standard shift there are 6.5 hours available for work (1.5 hours taken up by lunch and breaks). As shown on the current state map, there are actually 16 hours of work per day for the Coordinator



Current State Analysis

- ◆ Facilitated by the Leading Edge Group Consultant, the team analyzed the current state and identified the following:
 - Value-added time = 9 hours (527 minutes)
 - Non-value-added time (Waste) = 7 hours (430 minutes)
 - Non-value-add activities = almost 45% of overall processing time



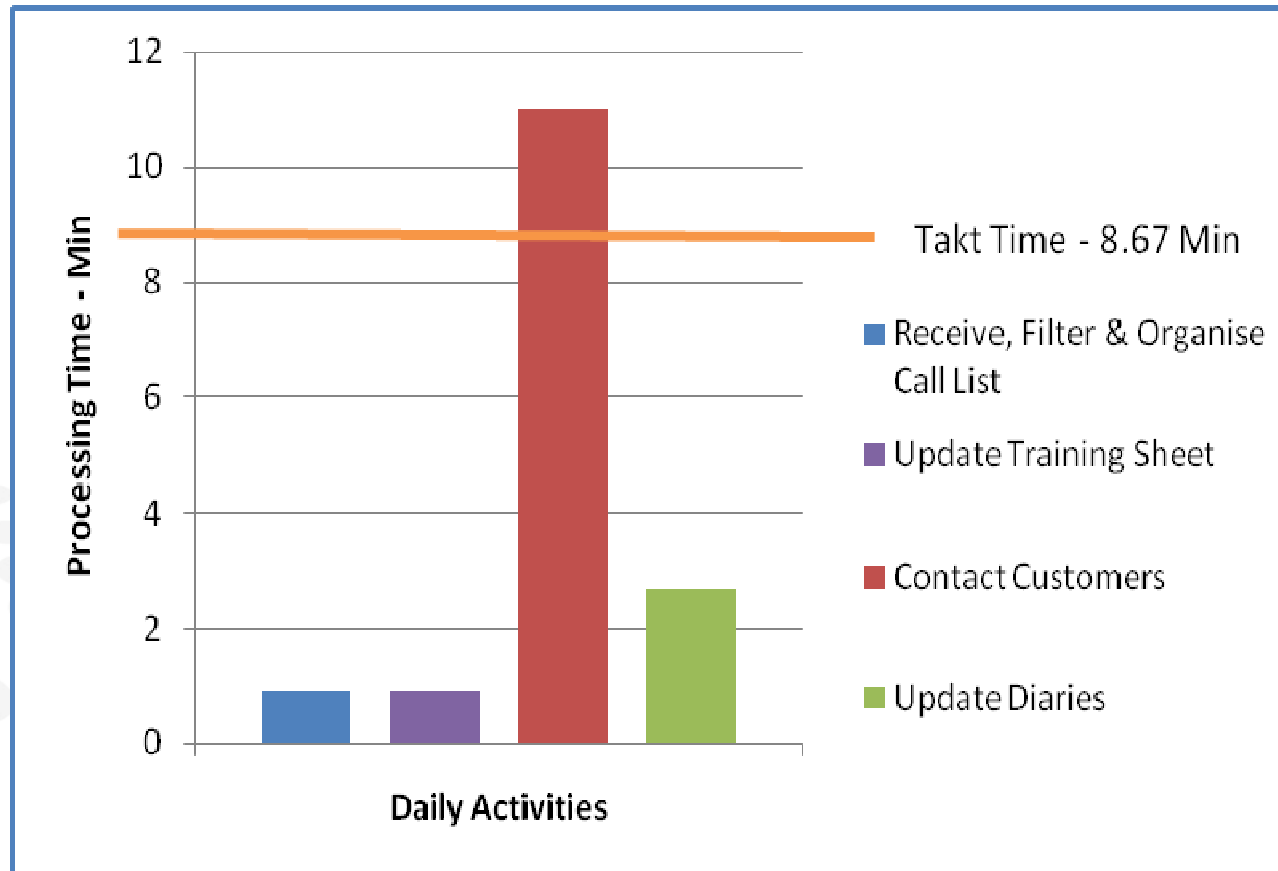
Current State Analysis

◆ Takt Time:

- Represents the rate at which a process should work to meet customer demand
- Maximum amount of time that can be spent processing a single item – in this case, scheduling individual training requests
- Calculated by dividing the number of available working minutes in a standard shift (390) by the number of items that require processing daily (45) = 8.67 minutes
- To meet current customer demand one training request should be processed every 8.67 minutes. Training requests were processed every 18.5 minutes



Current State Map



Takt time – Processing each individual customer training request



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Developing the Future State

- ◆ Future State Map:
 - Based on the analysis of the current state
 - Depicts the process as it should be with the necessary events or projects required to remove those elements or activities that are not adding value

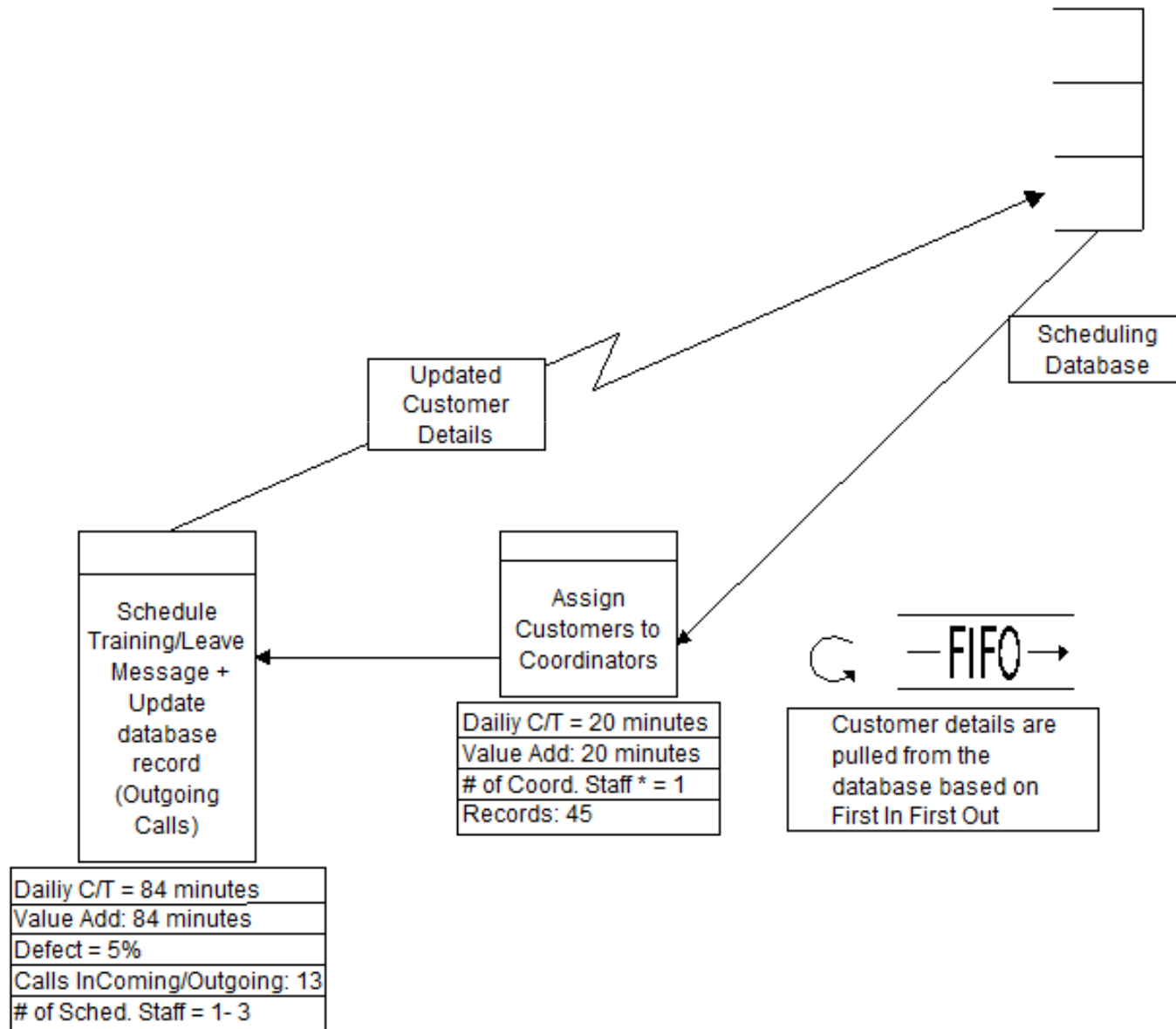


Mapping the Future State

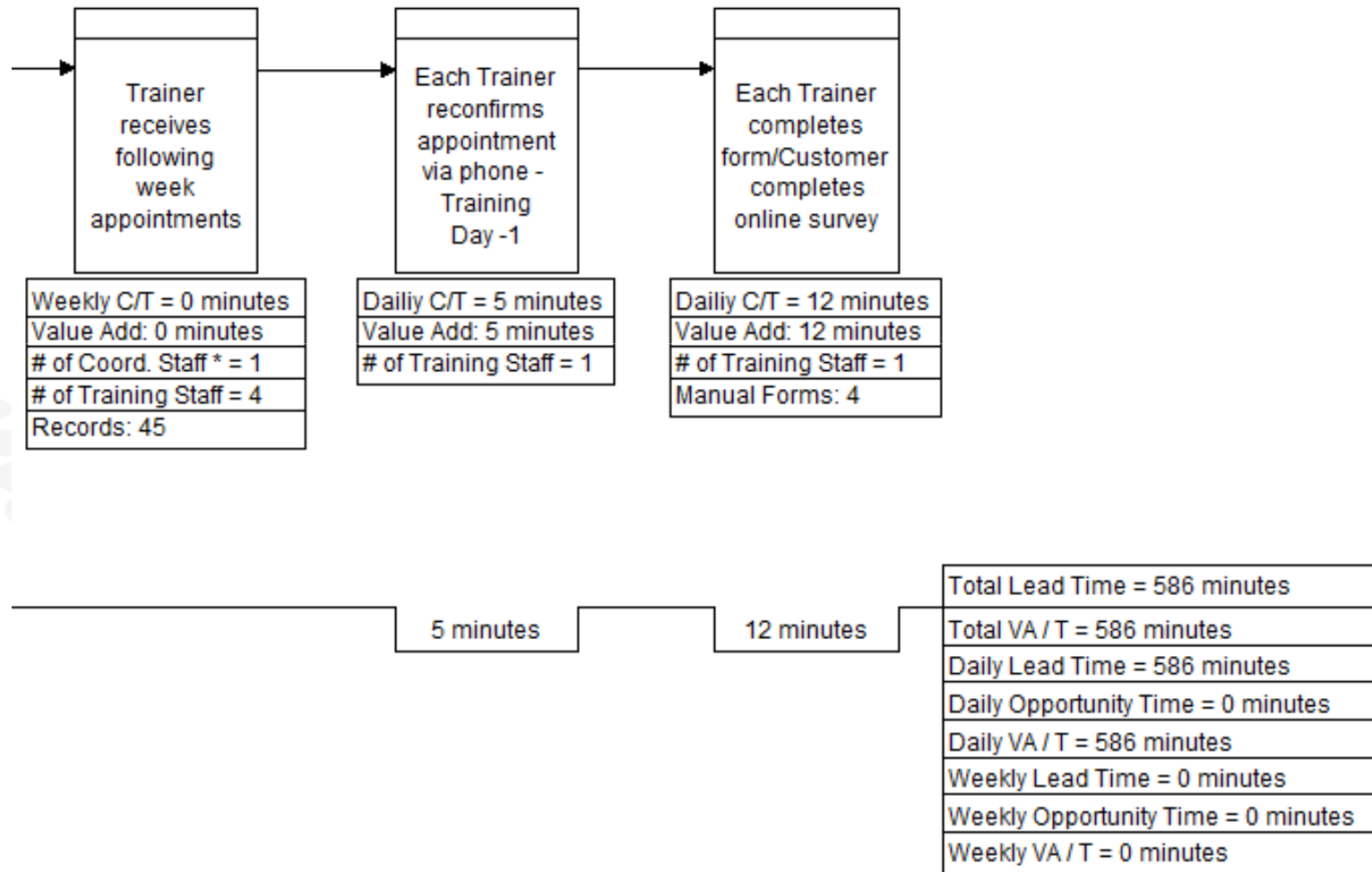
- ◆ Steps:
 1. Analyze the current state
 2. Modify the process
 3. Calculate the updated timings



Future State Map



Future State Map



Developing the Future State

- ◆ Facilitated by the Leading Edge Consultant, the team agreed on the following recommendations:
 - Replace the current manual paper-based and Excel-based scheduling system with an improved Microsoft Excel Spreadsheet solution
 - Provide Trainers with Blackberry-enabled devices to enable them to receive training appointments without the need to contact the Training Coordinator
 - Once the COBS training is complete, the customer should be asked to complete an on-line survey that will provide details on the training to the COBS Training Supervisor



Developing the Future State

- ◆ Improvements:
 - Centralized location for the collation and updating of the COBS customer training appointments and for providing MI reports
 - Scheduling of customer training appointments is dealt with based on First In First Out (FIFO)
 - Customer information is 'pulled' through the process as needed by users



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Plan and Implement Future Changes

- ◆ To attain the aspirations outlined in the future state map, it is essential that a detailed Value Stream Plan is put in place that:
 - Has top management commitment and support
 - Is properly resourced
 - Is implemented by dedicated personnel
- ◆ Implement changes – either sequentially or using a ‘Big Bang’ approach
- ◆ Measure the benefits – After the future state has been deployed for a period of time, a review should be carried out to ensure that the expected benefits have been attained



Results

- ◆ The application of Lean techniques, specifically Value Stream Mapping, resulted in significant savings in the time taken and costs involved in scheduling training for COBS customers
- ◆ Following the Value Stream Mapping exercise the priority project was identified as the implementation of the improved scheduling solution:
 - 40% improvement in overall processing time
 - Based on the timings for the process, it was easier to identify the resource requirements



Thank You!

Questions?

