

**Client:** High street bank  
**Assignment:** Implementation of Lean for performance improvement in group services

## Lean thinking generates sustainable performance uplift for major UK bank

In order to remain competitive within the retail and corporate marketplace, this major UK high street bank recognised the need to maximise productivity and reduce operating costs in its backroom operations.

**Two projects save £1.35m pa**

Having researched trends and best practice across a range of successful businesses, Lean was identified as a potential vehicle to generate a culture of Continuous Improvement and provide a tool set to drive specific improvements into its business processes. Bourton Group was selected to design, deliver and support a programme across four distinct parts of the business: corporate services, payment services, group technology, and retail IT.

Our relationship began in December 2006 and we continue to work with them to embed Lean into the day-to-day working of their business.

### Our approach

In order to help the client decide if Lean was the right route for them, we devised a pilot programme to:

- Showcase how Lean could be introduced and sustained in an environment where complex transactional and discretionary processes co-exist
- Generate measurable performance benefits
- Provide a clear roll out route

**Productivity in cheque clearing up 14% - with another 24% identified**

The pilot focused on demonstrating different Lean approaches in three discrete areas. The success of the pilots convinced the bank's back office and corporate operations to adopt Lean as their preferred performance improvement vehicle.

Since then we have continued to support the adoption of Lean working across the Group Services division. This has been through formal training programmes, supported by Rapid Improvement Events and managed knowledge transfer.

### Getting started

To begin, we worked with senior teams to identify areas that would provide both a representative environment for piloting Lean and offer clear opportunities for performance improvement. We led a series of direction setting workshops for Divisional Directors to provide them with the basics of Lean and gain their endorsement of the proposed approach.

### Managing for success

We worked with the client steering group to plan and monitor the programme roll out, linking benefits to the achievement of the business plan and ensuring the programme stayed on track. A key element was the appointment of dedicated internal resource to support the programme from within.

Lean has maintained a high profile in the business through regular features and success stories in the company magazines. A monthly Lean blog on the company intranet has engaged a wide range of people in sharing ideas and best practice.

### Process improvements

In the pilot we introduced three approaches to adopting Lean: Work Team Based Continuous Improvement; Rapid Improvement Events; and Lean Process Improvement Projects.

The first approach focused on developing a Continuous Improvement culture within an operations work team. By training them to adopt the Lean Daily Management System (LDMS)<sup>®</sup>, and facilitating local problem solving events, we were able to clearly demonstrate how Lean works as a daily discipline at team level and the benefits this brings.

The second approach concentrated on the use of Lean to derive benefits quickly through a Rapid Improvement Event. A team from within the document services undertook a Lean 5 day Blitz event to drive waste out of their process. They identified and implemented changes that realised productivity savings equivalent to over 5 FTEs.

The third approach aimed to show how Lean can be used to improve significant business processes and solve more complex problems. A Lean Project was instigated to improve the process of forecasting cash requirements for individual branches and ATMs. The six week project resulted in operational savings in the region of £2m pa, and allowed a reduction in the ATM network cash 'inventory' of around £60m.

**Savings equal to  
40 FTEs in  
Group Technology**

**1,000 people now  
working in a culture  
of Continuous  
Improvement**

The subsequent roll out of Lean over the last two years has continued to incorporate all three approaches. The LDMS® is being progressively adopted, and trained internal facilitators now lead their own programme of Rapid Improvement Events. We continue to provide direct support to complex projects targeted at cross-functional processes, demonstrating specialist Lean tools tailored to suit the situation.

### **Building capability**

Embedding expertise is the cornerstone for sustaining Lean in the bank. We have created a cadre of professional facilitators, capable of leading Rapid Improvement Events and complex process improvement projects. Following initial training, we have continued to hone their skills through co-delivering events, leading masterclasses, and coaching individuals. This has been augmented by our formal evaluation tool, linked to their appraisals and personal development plans.

As an accredited Institute of Leadership and Management assessment centre, we provide leaders and facilitators with the opportunity to achieve formal recognition by awarding the ILM Lean Implementation Leader Certificate.

### **Value delivered**

To-date, the results have been impressive, significant and sustained. Over 1000 team members have been trained in the LDMS® and Lean tools, and are now working within a Continuous Improvement culture. In addition, over 15 Lean process improvement projects have been undertaken, each delivering significant and rapid improvements. For example:

- Retail IT are delivering productivity benefits equating to £1.35m pa from two projects
- Cheque Clearing improved productivity by 14% within 30 days as a result of eliminating waste from core processes. Within six months they expect an additional improvement of 24% and to reduce their lead-time by 50%
- Group Technology have realised savings equal to over 40 FTEs at no significant implementation cost. Implementation lead-times for IT projects have reduced by around 20%

Beyond the hard, financial and performance improvement that the Lean programme is yielding, Bourton Group is providing a lasting legacy. The bank is now capable of running its Lean programme independently and sustaining the spread of Lean throughout the organisation.