

Moments of Truth: Transforming the customer experience at a Bank branch



Customers in the driving seat

The landscape of banking has been transformed by universal banking and Merger & Acquisition led growth of new generation private sector banks.

Customers' experience of banking is being adversely affected by the exponential growth in transaction volumes, which in turn puts undue pressure on service delivery channels.

Expecting better service standards, more and more customers are switching to what they perceive as more efficient and customer friendly banks.

This increased customer base is almost certain to add to transaction volumes and put a strain on a bank's service delivery capabilities, thereby posing serious "Customer retention" challenges. Centralisation of back office operations, channel migration could, to some extent, help in freeing up resources at branches for better service and effective selling of the bank's products.

It is, therefore, a necessity for banks to move beyond their present boundaries to redesign their processes and structure to suit the changing requirements. The need of the moment is "Out of the Box" thinking, coming up with creative solutions and setting industry benchmarks in terms of customer service. Fortunately, there are ways to achieve just that – efficiently and effectively.

ECS helps a private sector bank establish new benchmarks in customer service

A leading new generation private sector bank retained ECS to improve its branch operations to provide customers, a quick, hassle-free and pleasing experience at its branches.

Benefits achieved

- 50% reduction in Turn Around Time (TAT) of transactions
- 20% improvement in employee productivity

Small Actions, Big impact

The bank's rapid customer acquisition over the last two years and the corresponding growth in transactions led to the following at its branches:

- Customer 'waiting time' for cash was twice that of the competition
- Turn Around time (TAT) for demand draft (DD) issue was nearly three times that of the competition
- Query and complaint handling process was non-standard
- Employee productivity was suspect
- Selling opportunities were lost
- Over crowding at peak hours was inconvenient for every one

ECS's assessment revealed opportunities to improve significantly by:

- Redesigning the transaction processes
- Reorganising the branch structure
- Redesigning the layout for a better customer experience
- Deciding 'Service Excellence Measures' to track the quality of the service at the branches
- Building a model to decide a flexible number of counters for managing the peak hour rush

ECS recommended and implemented the following:

Action: A simulation model for deciding on the number of cash counters was designed

Consequence: TAT of cash was reduced by more than 50%

Action: Authority levels for DD issue were redefined
Work flows and paper flows were reengineered

Consequence: TAT of DD issue was reduced by 70%

Action: Branch structure and service area layout were redesigned

Consequence: Employee productivity rose by 20%

Action: A 'complaint-handling' manual was developed and a dedicated query desk was created

Consequence: TAT of query resolution and customer experience at the query desk improved

ECS also developed a staffing model based on the queuing theory, addressing:

- Transaction volumes
- Distribution of transactions
- Servicing time
- Absenteeism

Proof of the Pudding

- 50% reduction in waiting time for customers
- Ability to service a larger customer base with existing resources
- TATs for Cash and DD/PO comparable to competition
- Increase in productive time of employees (due to structural changes)
- Monitoring and review mechanism of metrics in the form of monthly Process Quality Information System (PQIS)
- Standardized layout across the branch network

Contact for details

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ECS is a premier business management-consulting firm in India. Its consulting practice covers **Services, Strategy, Operations, Human Resources & Change Management, Supply Chain Management & Full Value Spend.**

Experience in Banking & Financial Services

ECS's pioneering work in the **Banking & Financial sectors** has resulted in significant improvements in **Turn Around Time and Customer Service** while substantially reducing **costs** in the areas of:

Retail banking

Account initiation, centralization of operations, secured and unsecured retail lending, depositories and branch transactions

Wholesale banking

Trade finance, asset management, corporate banking, cash management services, working capital loan, term loan & corporate Internet banking

We partner all our clients from concept to implementation. Typical results of implementation have been a significant reduction in Turn Around Time and cost along with increased productivity and reliability of business processes.

Some of our leading partners include **American Express, Citibank, ICICI Bank, Dubai Islamic Bank, Deutsche Bank, ICICI Housing Finance, GE Capital, Standard Chartered, ING Vysya, IDBI, Bajaj Allianz, Max New York Life and ICICI Prudential Life.**

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