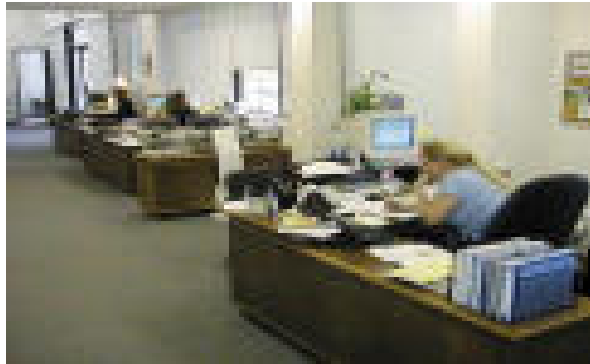


Banking on Six Sigma: Six Sigma in retail personal financial services



How does a bank make a statement?

The myriad of choices and innovative offerings in personal financial services has put a big smile on the face of the customer. The financial organizations on the other hand, are faced with the challenge of meeting ever-growing customer expectations, while keeping cost under control.

Issues facing the industry

- Customers have a multitude of choices
- Keeping cost under control is a challenge
- Only customer friendly & reliable service can assure success
- The tech quick fix comes at a very high price

To attract and retain customers today, a financial institution has to provide customer friendly service with proven reliability of delivery processes. Success is assured to those who offer a quick Turn Around Time, hassle free transactions, clear and error-free customer communication and most importantly, a high quality of customer interactions.

Hence, in a fiercely competitive environment, winners will be decided on the basis of standards of service that set industry benchmarks.

This is easier said than done! Many organizations have attempted and failed by depending only on technology to address these challenges. However, the tech quick fix comes at a very high price, if robust business processes that eliminate all variability do not support it.

The good news is that there is a tested and proven way to make processes both effective and efficient – **the Six-Sigma way.**

Insights

- Sanction decision will have to be very quick
- Keeping in touch with the customer at all stages of process is vital
- Parallel processing is necessary to achieve quick Turn Around Time [TAT].

Six Sigma is a powerful tool that can be used to achieve ten times improvement in three years in cost, quality, delivery and flexibility of operations.

Many Fortune 100 organisations have successfully leveraged the methodology to perfect their business processes to the highest level of reliability.

Achieving new highs

Using the Six Sigma way, ECS recently helped a leading finance company establish new standards in their retail lending processes.

Six Sigma benefits achieved

- 75% reduction in loan sanction and disbursal time
- Rs. 10 crore annual savings through process simplification
- 85% reduction in customer complaints

Beaten, but not out

Like most retail lending organisations, this company needed to reduce the Turn Around Time in loan sanction & disbursal, simplify complex documentation procedures, eliminate rework in document processing and reduce the cost of operations, while delivering cutting edge service.

Realising that addressing these critical issues would have a long-term impact on the company's strategic growth, the organization was willing to embark on the Six Sigma journey.

A dedicated team of ECS consultants and client members representing all functions worked on the following processes:

- Customer enrolment
- Loan sanction
- Loan disbursal
- Query & complaint resolution
- Billing & collection

The effort involved understanding customer expectations, mapping existing work, information and decision-flows and defining the Six Sigma process metrics. Bringing all customer & management issues and expectations to the surface led to an understanding of their impact on process metrics. Finally, measurement of the Six Sigma metrics gave the extent of variability in service experienced by the customer.

In addition to the monetary benefit, the Six Sigma initiative resulted in the gain of several intangible but invaluable assets, such as:

- A process focused organisation
- Higher sensitivity to customer service
- Measurement driven quality improvement
- A continuous improvement culture
- Change management skills

The company is so enamoured by the results and the impact of the initiative that it is now looking forward to putting several of its other businesses on the Six Sigma way.

Contact for details

Harsh Bisht - Vice President
harsh_bisht@ecs-limited.com

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

Offices:

Mumbai office

2 A, Wing A, 8th Floor, Prism Towers, Mindspace,
Goregaon (West), Mumbai – 400 062
Tel : 022- 40074600 / 40033400 - 1 Fax : 022- 40074700

Gurgaon office

804, Signature Towers
Tower A, South City
Gurgaon, Haryana – 122001
Tel: 0124-2383301/02, 2383297 Fax: 0124-2383295

Bangalore office

Tel: 080 – 40794128

Chennai Office

1st Floor, Mootha Centre
23 Kodambakkam High Road
Nungambakkam, Chennai – 600 034
Tel: 044- 42122190 / 42123471/81 Fax: 044-42122190

Web site: www.ecs-limited.com