

In today's highly competitive credit environment, the Real People Group has with the use of innovative credit management solutions diversified itself as a specialist provider of credit. By offering tailor-made end solutions, which include credit scoring, credit model development, vetting, origination, collection and funding, Real People provides a range of personal and merchant finance, insurance, housing, and cellular products.

With its headquarters situated in the Eastern Cape Province of South Africa, this dynamic Group is one of the largest employers in the region employing over 1,500 employees. The Group has a substantial branch network of more than 140 branches throughout South Africa, as well as operations in Lesotho, Swaziland, Tanzania, Kenya and Malawi.

## Real People Increased Sales and Productivity 15 % with QPR Based Solution

### CUSTOMER CASE:



*"Successfully adopting a new culture of performance management which translated into higher productivity levels which in turn translated into real profits as well as improved efficiencies is exactly what we wanted and was delivered."*

*Gert Pelsers, COO, Real People SA Branch Retail Division*

***Lack of performance management system and methodology had resulted in slow response times, difficulties in identifying areas of concern and measuring individual performances and linking that to an incentive scheme. All this materialized in high staff churn. To tackle the problems Real People decided to adopt new management paradigm and solution both providing single view to the performance of sales consultants and branch managers and easy KPI communication to everyone.***

Real People had no adequate dashboard or balanced scorecard methodology in place to measure individual performances and linking that to an incentive scheme that provides an individual with a clear understanding on what she/he is measured and re-

warded on. Consultants and Branch Managers were always in the dark around how they are measured and rewarded. Performances were measured more on the principle of the entire branch rather than on an individual level, which led to the problem that branch managers did not effectively utilize their resources in the branch and ensure high productivity levels across the branch. That led to high staff churn which was very costly to the company. Retention of good staff became a real concern to the company. Also a lot of knowledge based assets were lost in the process.

The main goal for the solution was to provide a single view to the sales consultants and branch managers on what he or she will be measured on. This meant the identification of the key KPI's that will be measured and en-

Performance and Incentive Management in Banking, Finance and Insurance sector.

Methodology frameworks used:

- Performance Management (Balanced ScoreCard)
- Information Management

QPR products used:

- QPR ScoreCard
- QPR Portal

Linking to other systems:

- Active Directory Environment
- Sequel Database
- MS Excel
- Payroll system

sure that this is effectively communicated to everyone. Thus, the set objective was to ensure a consultant can view his progress in a single view on a daily basis as well as tracking the incentives earnings based on performance (see the picture on right).

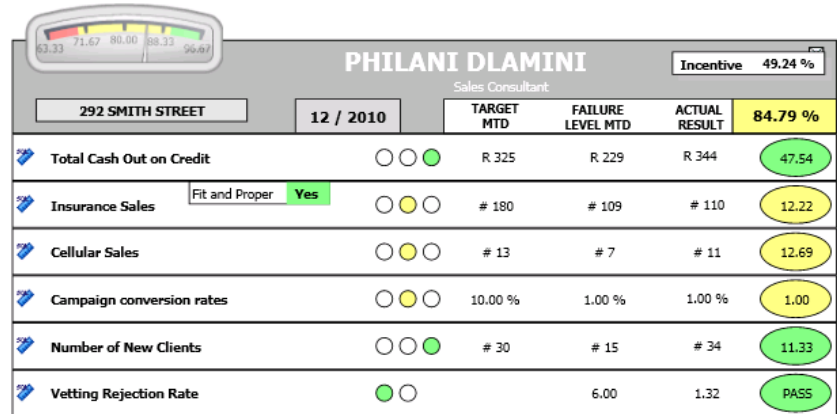
One other important objective was to ensure better resource utilization across the branch environment. This would increase productivity levels which fuels profitability. Real People also wanted to improve staff retention as well as staff morale/motivation.

Real People chose the Balanced Scorecard as a management methodology and implemented QPR ScoreCard performance management software with collaboration (QPR Portal) as well as reporting (MS Word) functionalities as the automation tool. QPR ScoreCard was integrated with the Real People Active Directory environment for user access and authentication. Data import has been automated from the Information Management Sequel Database as well as from Excel Spreadsheets. An Excel export has been created to extract incentive information out of QPR and imported into the Payroll system.

## 400 scorecards implemented in just 4 weeks

The measurement and incentive scheme were created upfront. QPR Strategic Partner in South Africa, EBS, implemented and automated the scorecards with QPR. EBS also ensured that the logic applied to the system was sound and ensured the system is stable. It assisted at the end with a product that was easily deployed and introduced into the branch environment. The total time to implement and automate the approx. 400 scorecards took 4 weeks, because of the rapid implementation nature of QPR software.

Due to the Real People's unique operating environment there was a continuous change to the initial parameters, especially the calculation methodology of certain KPI's and how that links up to the incentive calculations.



Another challenge during the implementation stage was to successfully enforce change management, to change the individual mindset to the scorecard methodology.

A paradigm shift was needed to ensure everyone buys into the performance management culture. This was bridged by effective communication, workshops, and transparency around the KPI's on the scorecard and how each KPI is measured. One of the most important factors of getting this project of the ground up to implementation stage was the buy-in and support of executive management.

In the beginning stages the project was met with some degree of resistance, especially at branch manager level. Middle Management however was very eager to get this implemented as they could see the benefits and realized that this could fundamentally change the way they have done things in the past. The moment the first individuals benefited from this new way of measurement and incentivizing the use of the system was adopted easily. Once you have a few star performers that endorse the system it becomes easier to promote the use of the system to individuals that are skeptical to adopt the new tool.

## Increased sales volumes and halved approval times

At the end it is all about Return on Investment (ROI) and that is starting to reflect on some key financial ratios such as Income to Cost Ratio as well as on operational ratios such as Productivity, Turnaround Time, and Capacity Utilization.

After adopting the new management approach and solution, Real People sales volumes increased by an average of 15%, turnaround time on application approvals time was reduced from 120 minutes to 60 minutes, audit affordability exception rate decreased from 10% to 0%, new clients acquisition increased by 15 %, staff churn decreased from 28% to 20%, and productivity ratio increased by 15%.

Problem identification is now done more effectively and the intervention turnaround time has been reduced drastically. Staff has visibility regarding targets, which makes it easier for the branch managers to motivate them. They can also keep track of their sales and their incentives due, which encourage them to perform. With the collaboration function it also became easier to keep track of action plans that were assigned to underperforming individuals.

## Continuing to Process Development

Real People is building the performance management culture by focusing more on the second tier KPIs of the business, which are more aimed at the operational side of the business to ensure continuous improvement is negotiated across the different areas of the business. Especially looking at processes, how can those be streamlined and effectively managed and monitored.

In the future Real People wants also to focus more on the external analytical tools which can be incorporated into the QPR system.