



Standard Bank

a case study

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Head : Performance Measurement

Personal and Business Banking Operations



Standard Bank ...

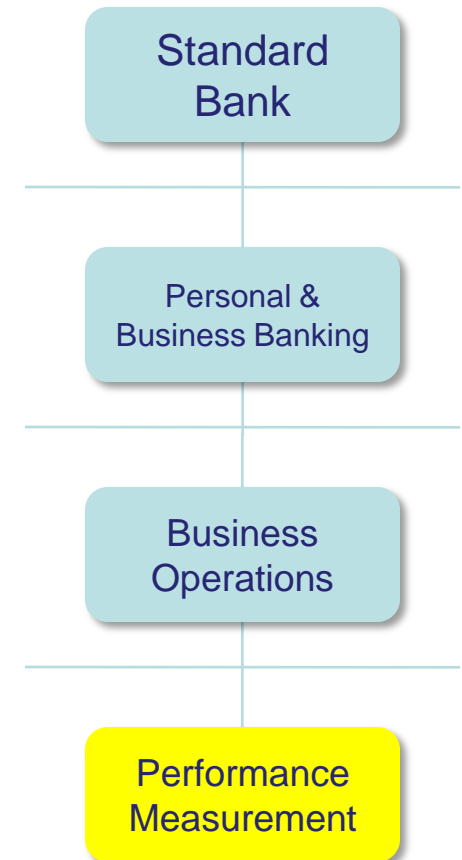
- is one of the four major banks operating out of South Africa.
- is the largest of the four by Asset Value (Rm1,296,819) and Earnings (Rm14,150).
- was established in 1862 and is currently 147 years old.
- is one of the most recognised brand names in South Africa.
- is a public company listed on the Johannesburg Stock Exchange (JSE).
- is 20% owned by the largest bank in the world, International Commercial Bank of China (ICBC).

Standard Bank ...

- is represented in 17 countries on the African Continent (with over 6000 points of representation), and in 21 countries abroad.
- employs around 50,000 people world wide, of which 34,944 are based in South Africa.



- Personal and Business Banking provides banking and other financial services to individual customers and small to medium sized enterprises in South Africa, the rest of Africa, and Argentina.
- PBB contributes around 34% of the Standard Bank Group's earnings.
- The centralised Operations area consists of just under 5000 people, and is responsible for all aspects of operations within Personal and Business Banking.
- A Performance Measurement Capability within Business Operations is responsible for the measurement of people and process.



This presentation will cover the following :

- The challenges we faced in Business Operations in 2005.
- What we did to address them.
- The tools that supported our solution.
- Where we are today.
- Questions.



In 2005 we faced major challenges in the way we ran our operations.

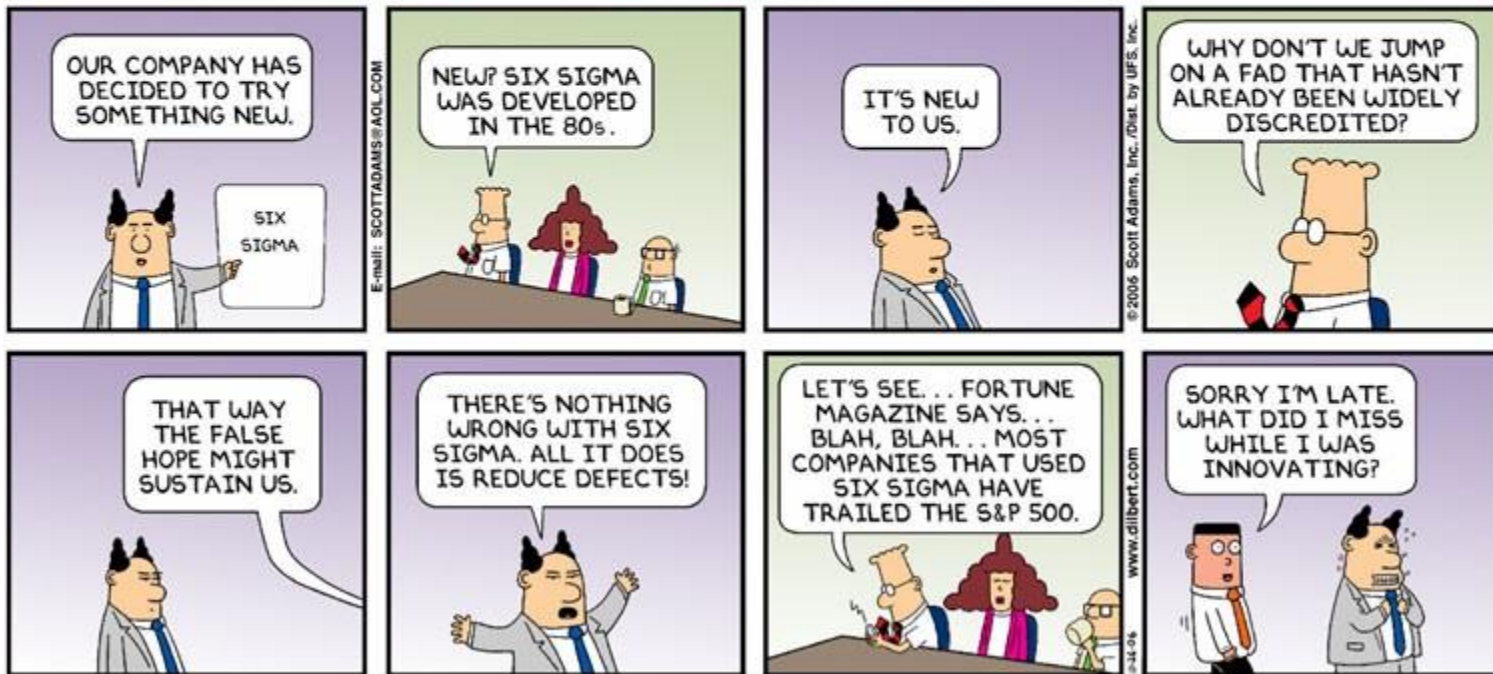
- Silo based and product centric operations.
- Massive duplication.
- No single view of customer.
- Large number of processes.
- Processes that catered for exceptions.
- Poor measurement systems.
- Excessive error, rework and waste.
- Checkers checked the checkers.



So we looked for companies that were doing it right ...



... and challenged our own thinking at the time; that Banking and Manufacturing were two very different industries.





White Belt training.

Yellow Belt training.

Green Belt training.

Black Belt training.





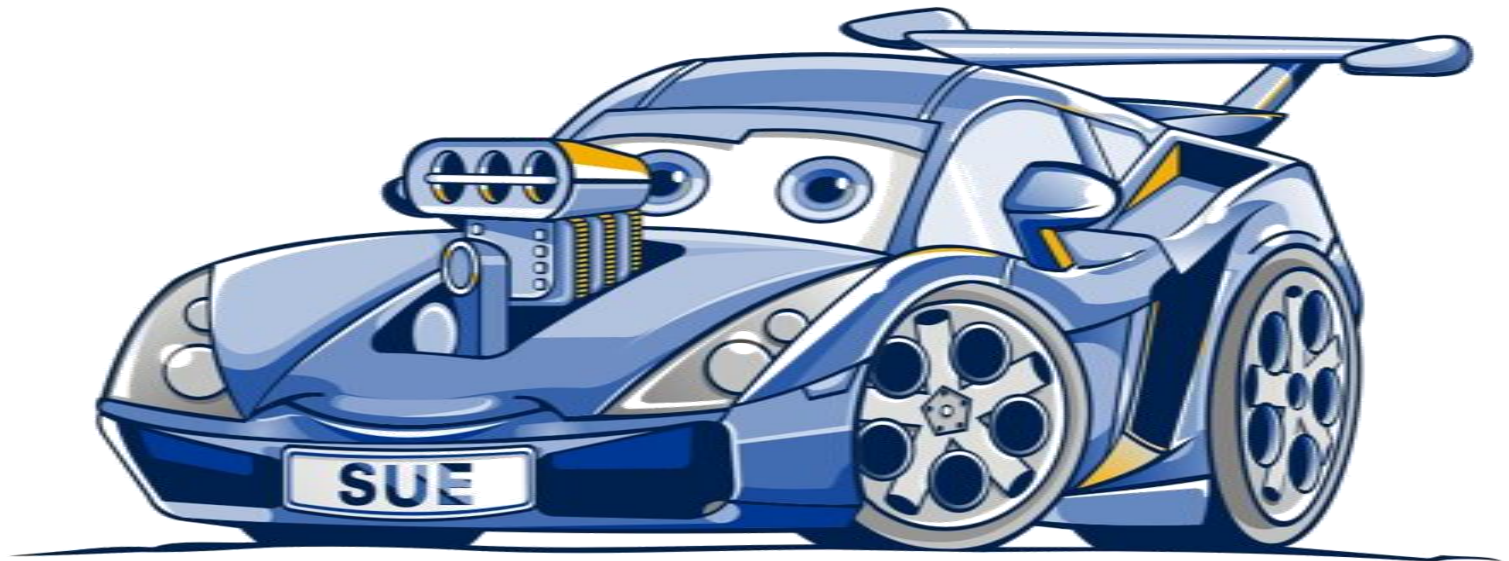
Six Sigma initiatives realised hard savings of close to ***R60 million***

but we faced a new set of challenges

- No common process repository
- No version control
- No standards
- Little governance
- Poor measurement systems

and we were getting stale ...

... we branded and re-launched the beast!



Simplicity ... Urgency ... Excellence

Standards

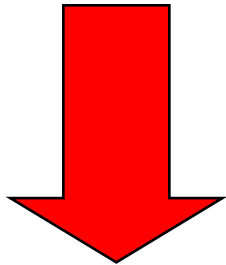
Process Mapping.
Scorecard Building.
User Management.

Governance

Infrastructure.

Development.
Testing.
Production.

Change Control.



Enterprise Architecture

Measurement

Framework.
Methodology.
Definitions.
Standards.
Behaviour.

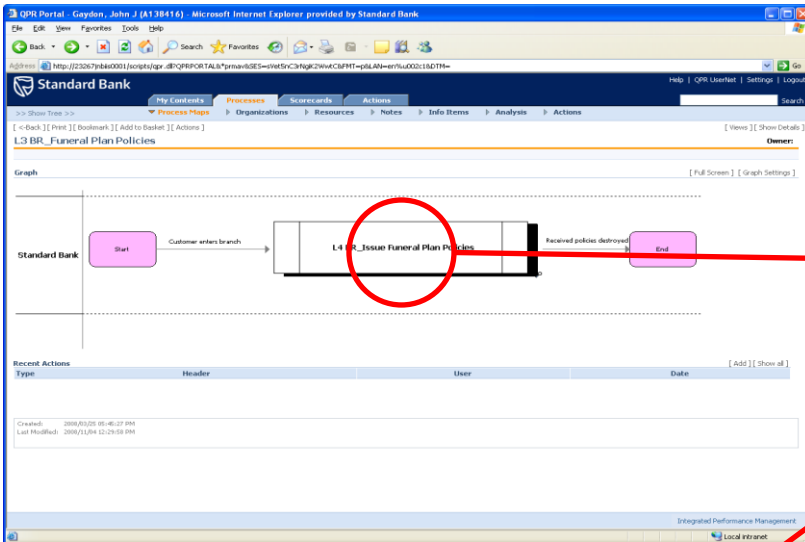




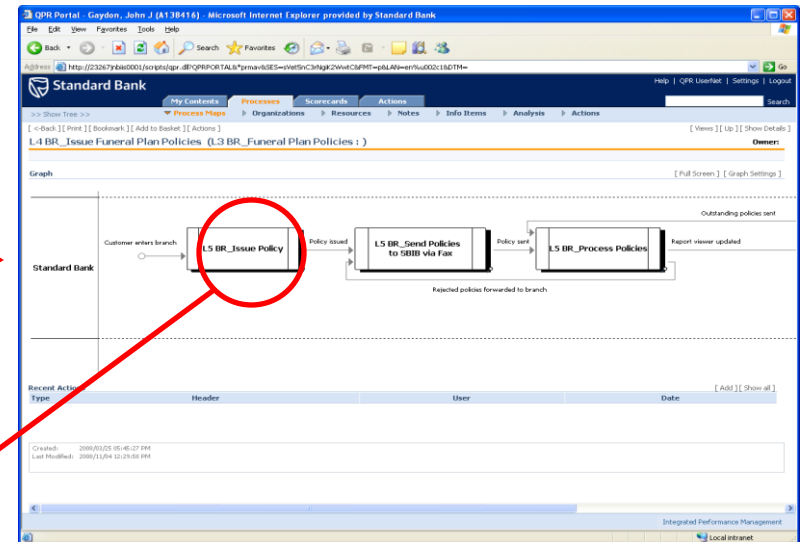
QPR

Quality. Processes. Results.

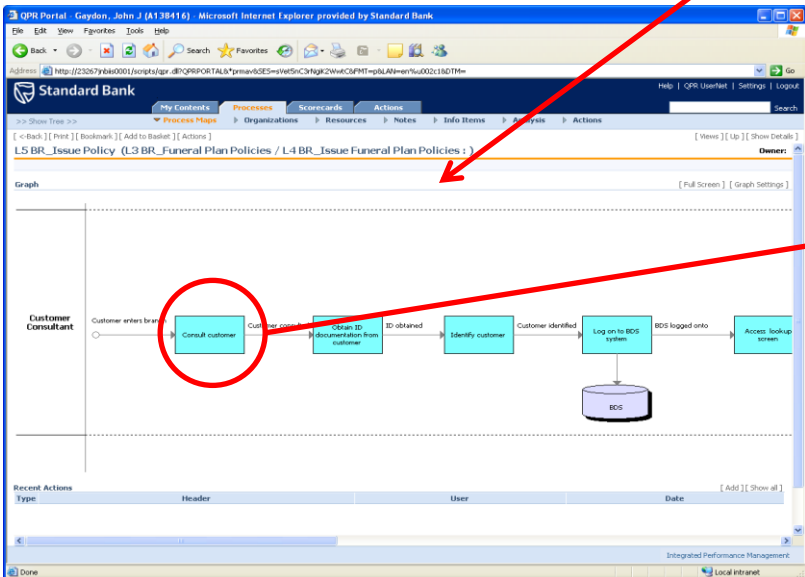
Implemented in Personal & Business Banking Operations as part of an Integrated Performance Management pilot project (2007/2008).



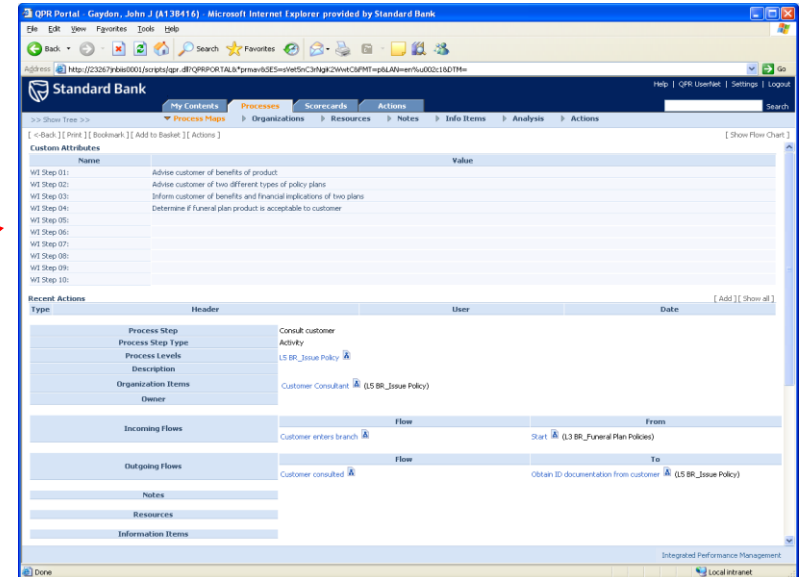
Level Function 3 – click through to Level 4 Process.



Level 4 Process – click through to Level 5 Activity.



Level 5 Activity – click through to Level 6 Work Instruction.



Level 6 Work Instruction.

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My Contents Processes **Scorecards** Actions


<< Hide Tree << Scorecards Strategy Maps Navigator Analysis Reports Actions

[Model] : Business Operations - 2009 [<-Back] [Print] [Bookmark] [Add to Basket] [Actions] [Series] [Views] [Period]

Business Operations

- Branch Operations
- Business Process Manager
- Cash Services
- Change Management
- Channel Development
- Finance
- Fraud Risk & Loss Manage
- Human Resources
- Integrated Processing
- Procurement & Logistics M
- Specialised Shared Service
- Template

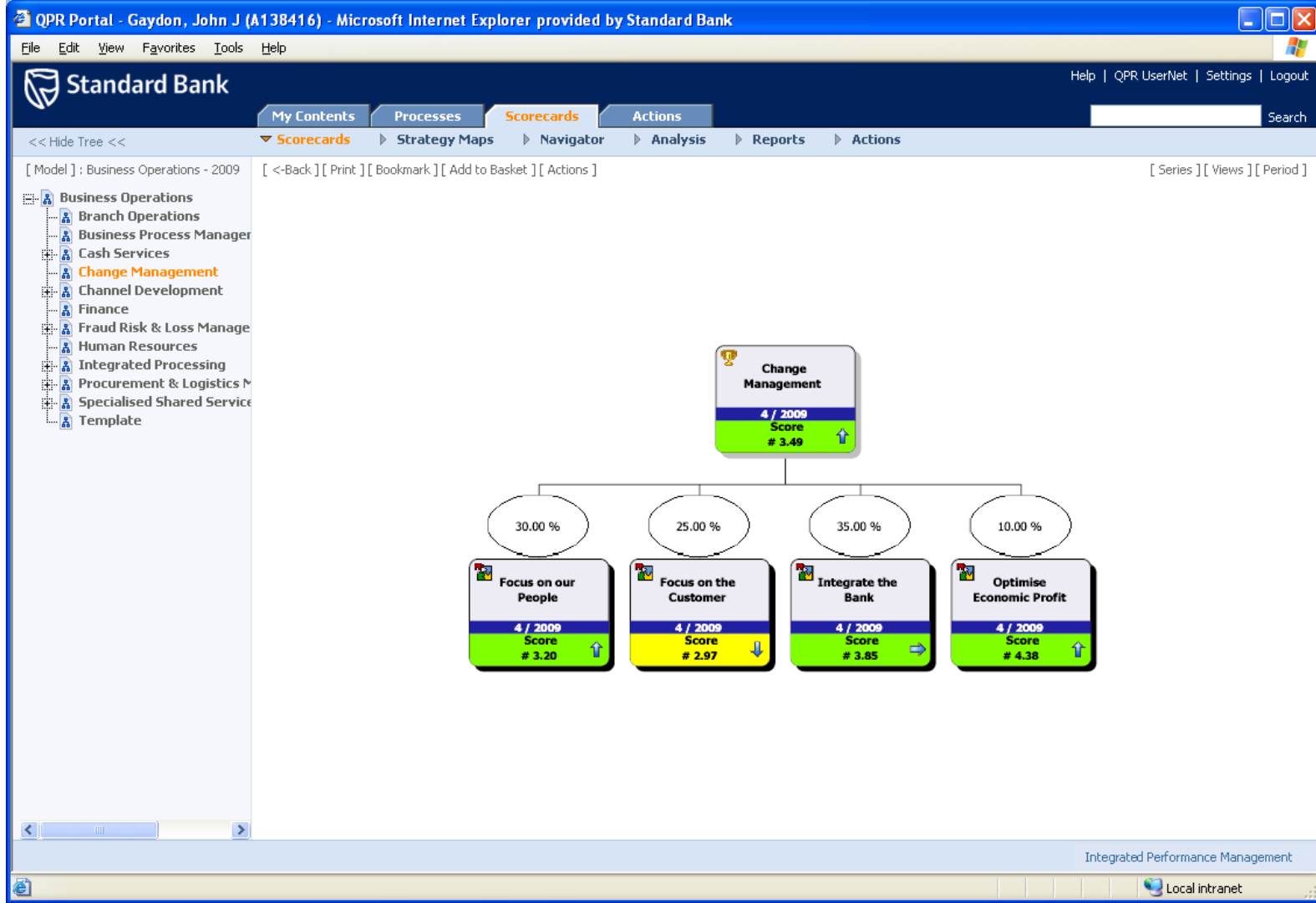
2009 Bus Ops C@PS

Measures	Objectives	Success Factors	Values	Purpose 2010
<ul style="list-style-type: none"> External CEBS Supplier Satisfaction Survey Business Partner Survey Heart Beat Management System Audit Invocm / Production meeting Audit Individual360 Employment Equity Six Sigma Training Role related / competence Training POW Project Delivery 6 Sigma Project Delivery Lean Engagement Project Operating Model Project Risk Management Framework Unit Integrate the Bank Roll Ups 	<p>Focus on the Customer.</p> <ol style="list-style-type: none"> Achieve a consistent customer experience in conjunction with our internal and external business partners in line with agreed requirements. Simplify processes to meet agreed standards across segments. Improve customer data integrity within business rules at all data capture points Interface with core customers and business partners in support of business partner initiatives. <p>Focus on our People</p> <ol style="list-style-type: none"> Create an environment where people: <ul style="list-style-type: none"> Are competent, engaged and led with a clear purpose. Feel valued, respected and involved. Do meaningful work Feel that their contribution is fairly measured, recognised and rewarded Trust Leadership Strive to continuously improve Successfully transform <p>Integrate the Bank</p> <ol style="list-style-type: none"> Plan, design, build and implement an integrated operations model that is aligned to agreed P & BB operating model. Build a sustainable, scalable and transportable end-to-end processing capability based on common components (where appropriate) that will facilitate straight through processing, standardisation and automation. Manage the operation according to Lean Manufacturing principles <ul style="list-style-type: none"> Produce with zero defect Create thinking People Continuous improvement Ensure implementation of Risk Management Framework. <p>Optimize Economic Profit.</p> <p>Increase economic value added by</p> <ul style="list-style-type: none"> Decreasing Operational Risk (PBB – big Ops component) Deliver against Budget Reducing Fraud Losses Optimise Ops Cost – better Cost to Income Ratio <p>Manage risk proactively.</p>	<p>Focus on the Customer.</p> <p>Having a distinctive customer value proposition and applying a clear model for retaining and growing life-time customers by sustainably providing them with financial services that make a real difference to them.</p> <p>Focus on our People.</p> <p>Organisational design. Building institutional arrangements that inspire and enable Standard Bankers. People. Having a compelling employee value proposition and deploying, developing and retaining a relevant pool of talent that is inspired, motivated and involved in enhancing and delivering our customer centric strategy with legitimate authority. Develop Standard Bankers who deliver great results whilst living the Vision and Values.</p> <p>Transformation. Embedding an innovative culture that is responsive to and anticipates change and transformation to optimise the opportunity in the market and to make a real difference to the environment in which we operate.</p> <p>Integrate the bank.</p> <p>Run the Bank: Aligning processes, systems, distribution channels, technology, operational areas, risk management framework, risk appetite, people and products to ensure the desired customer experience in a sustainable way.</p> <p>Transform the bank: Implementing the chosen core banking system (SAP) and having best in class systems and standardised processes where scalability and transportability are particular features.</p> <p>Governance. Following a clear governance model and structure that enables our customer centric strategy through disciplined and mandated resource allocation, monitoring and control.</p> <p>Optimise Economic Profit.</p> <p>To maximise profit (adjusted for risk) in a sustainable manner, through quality growth, the effective utilisation of resources and optimisation of costs.</p>	<p>Serving our Customers</p> <p>Growing our People</p> <p>Working in Teams</p> <p>Delivering to our Shareholders</p> <p>Being Proactive</p> <p>Guarding against arrogance</p> <p>Respecting each other</p> <p>Upholding the highest levels of integrity</p> 	<p>We will be a Best in Class Financial Services Operator's Partner driving competitive advantage for the PBBB by:</p> <p>Providing best customer experience, Through committed and engaged people, relentlessly doing things better.</p> <p>Executing with Simplicity, Urgency & Excellence (SUE). Practising lean manufacturing principles.</p>

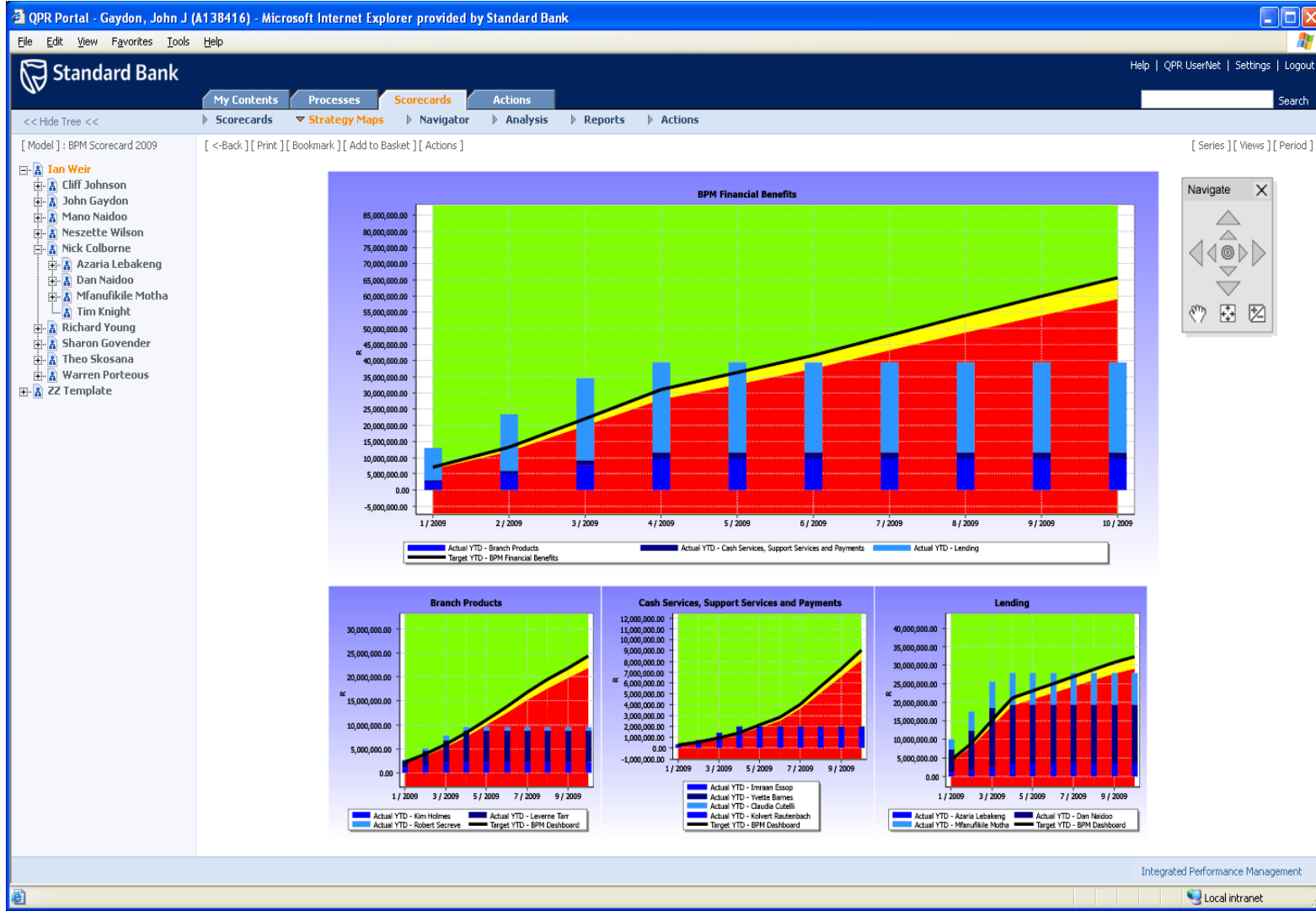
Integrated Performance Management

Local intranet

Business Operations C@PS Documents . Alignment of Purpose, Mission, Vision and Values to Success Factors and Objectives.



Kaplan and Norton style Balanced Scorecards implemented down to all management levels.



Summarised Dashboards of Key Performance Measures .

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Business Operations
 Branch Operations
 Business Process Manager
 Cash Services
Change Management
 Channel Development
 Finance
 Fraud Risk & Loss Manage
 Human Resources
 Integrated Processing
 Procurement & Logistics M
 Specialised Shared Service
 Template

Change Management

Period: Default Series: Default series

Hierarchy	Period	Actual YTD	Target YTD	Weight	Score	Status
Change Management	5 / 2009		# 3.00		# 0.46	Red
Focus on our People	4 / 2009			30.00 %	# 3.20	Green
Employment Equity	4 / 2009			40.00 %	# 3.20	Green
Change Management (Change Management (Business Operations Transformation))	4 / 2009		# 3.00		# 3.20	Green
Engagement	4 / 2009			20.00 %		White
Manage Learning and Development	2 / 2009			40.00 %	# 3.00	Green
Focus on the Customer	5 / 2009			25.00 %	# 0.46	Red
Identify Customer Satisfaction Levels	5 / 2009		# 3.00	100.00 %	# 0.46	Red
Business Partner Satisfaction Survey	Q2 / 2009	# 7.40	# 7.80	20.00 %	# 2.31	Yellow
Change Team BPSS -Rel & Service	4 / 2009	# 8.41	# 8.30	80.00 %	# 3.14	Green
Integrate the Bank	4 / 2009			35.00 %	# 3.85	Green
Change the Bank	4 / 2009		# 3.00	25.71 %	# 2.90	Yellow
Change Team C@P5	4 / 2009	# 2.90	# 3.00	100.00 %	# 2.90	Yellow
Run the Bank	4 / 2009		# 3.00	74.29 %	# 3.06	Green
Change Competency Building	4 / 2009	# 8.22	# 8.30	26.92 %	# 2.87	Yellow
Efficient delivery of CM & Comms initiatives	4 / 2009	# 8.58	# 8.30	38.46 %	# 3.35	Green
Optimal resource allocation & value add	4 / 2009	# 8.33	# 8.30	11.54 %	# 3.04	Green
Post Training and Facilitation Satisfaction Surveys	4 / 2009	100.00 %	100.00 %	23.08 %	# 3.00	Green
Optimise Economic Profit	4 / 2009			10.00 %	# 4.38	Green
Manage Budget	4 / 2009		# 3.00	100.00 %	# 4.38	Green
Total Expenses vs Budget	4 / 2009	Rm 1,192	Rm 1,280	100.00 %	# 4.38	Green

Integrated Performance Management

Local intranet

RAG status of all measures showing actual values, targets, scores and banding table information on a single view.

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Standard Bank

My Contents Processes Scorecards Actions

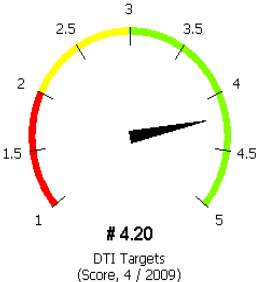
Home What's New My Responsibilities My Alerts My Briefings

DTI Targets (Ian Weir) 4 / 2009: # 4.20

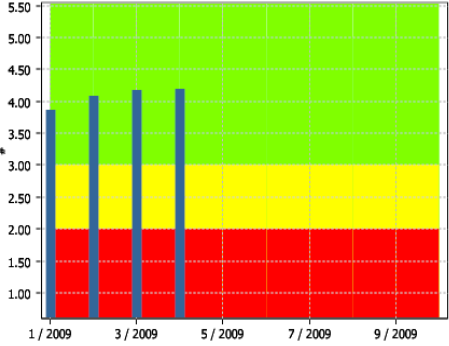
DTI - Department of Trade and Industry

FSC Targets are now referred to as DTI Targets

Graph [Graph Layout] [Graph Settings]



4.20
DTI Targets
(Score, 4 / 2009)



Recent Actions [-> Actions - 4 / 2009] [Add] [Show All]

Type	Header	Person	Date
Sub-elements [Show All]			
Type	Name	Value	Color Trend
Junior		71.43 % (4 / 2009)	Green →
Middle		70.73 % (4 / 2009)	Green ↑
Senior		36.36 % (4 / 2009)	Green →

Values | Alerts | Linked Data | Sub-elements | Information Items

Integrated Performance Management

Local intranet

Drill down functionality into additional detail, with interlinked scorecards across multiple models.



Six Sigma initiatives in the Operations space banked hard savings of over **R90 million** in 2006, **R130 million** in 2007, and **R158 million** in 2008.

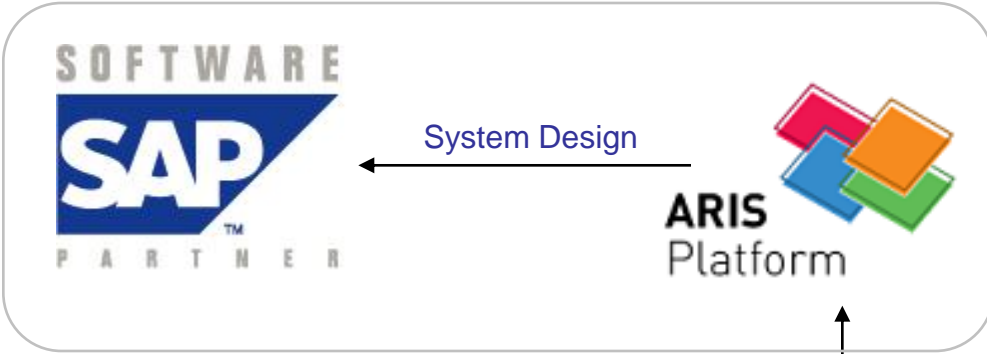
Processes.

- Mapped to a standard.
- Stored centrally.
- Visible to the users.

Performance Measures.

- Aligned to Objectives.
- Realistic and Achievable.
- Talked about daily.

Approved by Enterprise Architecture, but not yet implemented.



Existing Process Tools.



Import

Interface



COMMON STANDARD

Publishing

QPR Portal

L1 – L5 Process.
Work Instructions.
Collaboration.
Document Management.

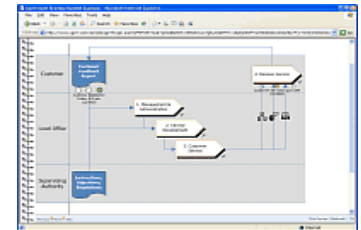
FactView



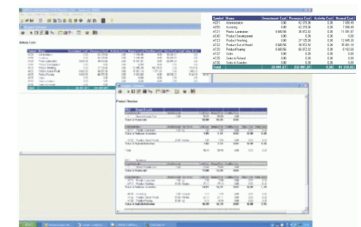
Balanced Scorecard



Process Guide



Cost Perform



HYBRID MODEL

... we re-branded and re-launched a second time!



Simplicity ... Urgency ... Excellence

Questions