

Restructuring the credit processes in the private sector for a leading specialist co-operative bank

Challenge

In order to implement an ambitious strategy for growth with private customers in the credit division, our client wanted to better align business processes to fulfil quality and efficiency demands, as well as client needs. Regulatory requirements had already been implemented within the context of an internal project. As such, the focus was on efficient division of activities at the interface between front office functions and back office processing and control. This would enable our client to invest productivity reserves in market activities.

Approach

First of all, the team identified and documented all tasks and activities relevant to credit processing in the private customer sector. Based on an analysis, we were able to identify the necessary extent of change and make suggestions of how the operational and organisational structure could be optimised. The approach followed an established method, linking a top-down analysis with a bottom-up examination. This also comprised:

- Comparing current level of credit process performance with that needed to prove efficiency and meet client needs
- Determining utilisation of capabilities (times and amounts) in each of the process stages, and evaluating potential for optimisation
- Evaluating potential for improvement in terms of both cost and revenue, and developing a plan for implementation
- Defining an optimised credit-process model
- Identifying realisable effective short-term organisational measures (quick wins)

Results

Overall, the team was able to come up with quite a few individual measures – taking into account the bank's risk policy – and evaluate their effects. In total, all recommendations led to a significant reduction in processing and cycle time, a decrease in the likelihood of error and conflict and an increase in process quality and sales support. By this, the bank was able to start its sales offensive in the private client's credit division without need of any additional staff.

For more information, please feel free to contact us.