

DARING TO ... DELEGATE @ DBS

A Case Study

IETEX 2008

June 9-12, 2008



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ABSTRACT

As Service is so important for bank Customers, Delivering outstanding service requires empowered staff with the ability, agility, & confidence to consistently understand & serve. However, investment protection and risk management are also “must haves” for their Customers. These demand different skills, calling for management processes that emphasise compliance & control.

Central control vs. Local flexibility, is thus an important dialectic inside a modern bank. Yet, when focusing on the Customer experience, does managing this delicate balance bring its own issues?

Twelve months ago, the DBS Consumer Bank considered this question. They were investing more staff time in serving Customers during banking hours, which consequently meant less time for completion of some operational processes during the day. As an outcome, staff were increasingly required to stay back late at the branch, in order to complete their daily workload.

The DBS Franchise Head set out a key business initiative for 2008. This focused on the operational teams, especially branch Supervisors. He selected a coaching approach for the Training Solution, to foster teamwork, encourage creative problem solving, and build competences in effective delegation. A series of Training Programs was aligned to the business objectives, to strengthen branch teamwork, and equip Supervisors to effect real change in their branch processes.

This Paper covers the Business Outcomes sought, Approach deployed, and Business Results achieved. It also draws out Key Lessons Applicable to any organisation investing in Training.

THE DBS GROUP ...

DBS was established in 1968 {www.dbs.com/dbsgroup/}, is a full service bank with over 13,000 staff, and has the largest network of branches in Singapore. It has an extensive network of branches and/or representative offices, covering the following countries,

- China
- Hong Kong
- India
- Indonesia
- Japan
- Korea
- Malaysia
- Myanmar
- The Middle East
- The Philippines
- Taiwan
- Thailand
- Vietnam
- The U.K.
- The U.S.

The DBS Group services five Business areas,

- Personal Banking
- Enterprise Banking
- Corporate Banking
- Private Banking
- Treasury & Markets

With just over 80 Branches and almost 900 ATM machines, DBS has the largest retail network in Singapore. It services the Personal Banking sector, under 3 well-defined Brands,

- DBS
- POSB
- TREASURES Priority Banking

This Case Study concentrates on the first of these, the DBS Franchise. Responsibility for this business resides with the Franchise Head, who as Managing Director, operates within the business strategy and direction set by DBS Group Senior Management.

CUSTOMERS AND BANKS ...

As a Customer, have you ever felt that banks are large and complex places?

You wouldn't be alone. To many people, banks can at first appear to be quite daunting. However, the concept behind them is quite simple; banks are organisations where Customers hand over their money, with an expectation of getting it back at some future point. Successful banks therefore are organisations that Customers choose to trust.

Before we look in more detail at lessons from the Case Study, it might be helpful to ground your understanding in key aspects of a consumer bank. To help, we've taken a strategic marketing perspective to provide a little more background in Appendix A, which expands on the four areas below in the context of a consumer bank,

- Products
- Processes
- Premises
- People

MARKETING & IN-BRANCH SERVICE ...

You'll come to appreciate that banks have undergone great change in recent years, and that Marketing nowadays plays a vital and strategic role. All banks strive to differentiate themselves from the crowd, to provide outstanding service, and bring visibility to their Brands. Service leadership thus enables them to stick out positively from their competitors.

In the early days, banks achieved differentiation through differences in their respective Product offerings. Increasingly however, banks realised that differentiation was better achieved by providing outstanding service. This was initially achieved through generic service, and more recently, this has moved onto delivery of a Branded service experience.

Whether a Customer walks in to a branch, dials a call centre, uses an ATM, or logs in over the Internet, service delivery is extended to them in a wide variety of ways. This Case focuses inside the branch network, to concentrate on how management helped its Team cope with the challenges of service delivery.

THE LEADERSHIP CHALLENGE ...

Banks typically have a finite number of branch resources, and good management focuses on the task of prioritising and allocating those resources as effectively as possible. The DBS Franchise was no different. Yet, early in 2007, it realised it faced a growing challenge.

The more that resources were integrated to deliver outstanding service experiences, the less resources were available for other tasks. This meant that important, non-urgent, tasks were shunted to the end of the day, to be dealt with only after all Customers had departed.

Consequently, branch staff had to work longer hours, and leave the office later. A gradual increase in overtime for branch security guards was a key early warning signal that management picked up. As the longer hours took their toll, there were also indications of a lowering in morale, with potential to impact on "Staff Engagement".

Responding to the signs, the Managing Director Mr. Philip Lim, took decisive action. He sought ways to encourage & empower his branch Teams to take responsibility for change.

Herein lay the dilemma; the need for local flexibility and responsiveness in delivering outstanding service was paramount, yet, the need for compliance and central control of processes was critical too. How could he lead the Franchise to change at the branch level?

CLARIFYING THE NEED ...

Amanuenses worked closely with the MD & his senior managers to understand Franchise goals, and clarify the need. Discussions revealed that first line Supervisory staff were critical to many processes, and were especially impacted by the need to stay longer at the branch.

However, we also discovered that Supervisors were not always confident to delegate to their Teams. Despite being empowered, they lacked trust that their colleagues could complete tasks to their satisfaction, feared a loss of control, and, lacked delegation skills.

The need was clarified; to provide training in Delegation skills to Supervisory staff, in order to promote change in their branch. The solution designed covered the following areas,

- **Delegation:** To provide a Process and the Skills
- **Decision-making:** To bring Creativity into Solutions
- **Coaching:** To encourage, reinforce & foster Teamwork
- **Basic Leadership Skills:** To instil and underpin Confidence to let go

THE APPROACH DEPLOYED ...

The emphasis was less on a single "Training Program", more on a "Training Solution". This involved considerable consultation and communication across several layers of Franchise staff. When deployed, the approach covered the following key areas,

- The Project was initiated and led by the Franchise Head
- Business outcomes sought were locked into the Franchise's 2008 objectives
- A series of briefing sessions were delivered to inform & involve Branch Managers
- Supervisors gained Delegation & Teamwork skills during a set of 2-Day workshops
- Managers briefed their teams, empowering the Supervisor to lead change projects
- Supervisors identified & drove Team projects to improve their branch processes
- Progress was monitored at Franchise level with a series of de-brief sessions
- A range of indicators were used to measure the results achieved

BUSINESS RESULTS ACHIEVED ...

As a result, Supervisors took up the Franchise challenge, invested time in their Teams, & "Dared to Delegate". Benefits were realised by; chunking down tasks so they were done during the day, spreading the load by sharing work, and, training others to contribute.

To achieve results required that Supervisors make creative decisions, and Delegate. No longer are they the "choke point". In summary, key results for the Franchise achieved,

Direct Cost Savings

The incremental growth in overtime hours was stemmed; the current trend is downwards. Moreover, some Team members regularly leave their branch between ½ to 1-hour earlier.

Indirect Cost Savings

Cost savings were also realised in indirect ways, e.g. in power bills as computers, lights, & air-con are all switched-off earlier.

Greater Branch Flexibility

Delegation was possible only when "Delegat'ees" had the skills. Local coaching & training was used to upskill some Team members. The increased pool of skilled resources brought additional flexibility, which is allowing branches to manage Teams better, e.g. cover for holidays & sick leave.

Increased Staff Satisfaction

Leaving the office earlier makes for happier Teams, which, contributes to improved moral & "Staff Engagement" levels.

KEY LESSONS APPLICABLE ...

Standing back, there are some important lessons arising from this Case Study. These may well be applicable in your own organisation.

To be of most benefit, we've phrased the lessons as a series of questions. It might be helpful to consider these, the next time you sense the need for Training ...

- Strategic Alignment?** When you are leading change, how much do you think about the business need, and actively align Training to key business objectives? Do you know what will be different afterwards, and where the investment in Training creates business value?
- Business Outcomes?** To what extent do you limit the focus to Learning Outcomes from a Training Program, rather than Business Outcomes from a Training Solution? How much do you look beyond to value delivered by the Application in your business of learnt skills?
- Investment Justification?** In what ways do you seek to justify the investment in Training? To what extent do you focus on minimising the cost per pax, or, on maximising the benefits and value realised?
- Return on Investment?** Do you limit consideration of value creation to obvious direct cost savings? How much do you go beyond direct savings, to value indirect areas and other benefits?
- Staff Alignment?** How much effort goes in to make staff aware of the corporate importance of their participation in the Program? How much time do you take in defining what they need to do afterwards?
- Staff Readiness?** To what extent do you consider how prepared staff are to receive training? Do you choose the most suitable timeframe for them, one that gives their learning the best chance to stick?
- Control or Flexibility?** How comfortable are you in releasing & encouraging trained staff to try out their new skills? How comfortable are you in allowing them to learn through application, practice, and importantly, through early failures?

THE AMANUENSES NETWORK PTE LTD ...

We are a boutique provider of solutions with a strong emphasis on learning, coaching, and training. We are business problem-solvers, and adopt a consultative approach with our clients. We help organisations develop staff capabilities so they can do things differently. This enables them to strengthen and achieve their desired results.

We first discover their needs, and then tailor our programs to meet those needs. Our solutions are often strategic; in leadership, management, coaching, teams working together, the team itself, even the management of change.

Solutions are often also operational, personal, or interpersonal; in Customer service, sales, connecting, presentation skills, assertiveness, creative problem solving, decision-making, delegation, even focusing staff on being time effective.

You are most welcome to visit our web site {www.amanuenses.net} for further information.

APPENDIX A – BANKING: PRODUCTS, PROCESSES, PREMISES, AND PEOPLE

Products ...

To service Customer needs, banks have created a wide range of **Products**. For the purpose of simplicity, we choose to classify them as Deposits, Loans, and Investments.

Deposits require that Customers first hand over their money. In contrast, for Loans the bank hands over its money first. In both cases, the party handing over the money typically expects to get back their initial premium later, possibly with some additional returns.

Insurance is a form of protection, where Customers purchase cover in advance, against the likelihood of occurrence of some future event. Unlike the first two, Insurance premiums are fees paid out for the purchase of cover. As such, the fees are not typically given back.

Within these classes, there are three related aspects; the Timeframe, Rewards, and Risk.

The Timeframe is important, as banks provide Products for the present, examples being the current account and the credit card. These provide convenience in short-term deposit withdrawal, and cash management facilities. They also provide Products for the future. For instance, Investment & Loan instruments match needs by providing continuity for cover in the medium and longer term, such as with education, vehicle, and housing loan Products.

Rewards and Risk are the two other related aspects. These are usually managed using the interest rate, which may be fixed, or it may float up and down. Typically, banks couple higher Reward Products with higher Risks, and lower Risk Products with lower Rewards. Banks also have a fiduciary responsibility to balance their own risks too. Thus, they are compelled to operate with good governance practices, and in line with regulations.

Customers select Products relevant to their needs based upon the concept of informed Customer choice and personal responsibility. Thus, banks typically package a diverse range of Deposit, Loan & Insurance Products, whose Timeframes, Reward & Risk characteristics appeal to the broadest range of its Customer preferences.

Price is the final determinant that Customers weigh up, to decide whether the purchase is justified. If so, the Customer purchases the **Product** through the bank's **Processes**.

Processes ...

Product sets are becoming richer, more complex, and more diverse. This means that banks continually invest heavily in their **Processes**, so that they can integrate their Products to deliver a service experience inline with Customer expectations. To build effective Processes, banks constantly build solutions using technology to support their Processes.

In the early days, the "Bank Account Number" was the only identifier unique to a bank, and it managed all Processes & data accordingly. There was no concept of a Customer, or a "Customer Number". This meant that banks required a way to link Products to individual Customers. So, the first wave of change focused on providing a "Single Customer View".

As the popularity of banks grew, they needed to cater for higher volumes, both in terms of Customers, as well as Products. Processes required investment to handle the higher transaction volumes both speedily from a Customer standpoint, as well as cost-effectively from a bank's standpoint.

Customers also want increasing levels of choice. Yet, banks used to be the sole provider of their Products, and their options were limited. Nowadays however, banks draw on relevant third party solutions for their Customers, to better address their need for greater choice.

Finally, banks are increasingly keen to “snuggle up” to their Customers, so that they can source, offer, and tailor specific solutions to specific needs. This requires considerable knowledge. Processes are therefore also used to build Customer insight, so that a bank really can get to know its Customers on a more personal level.

This changing environment continues to add layers of additional complexity. In order for a bank to survive and compete, it is required to make continual modifications to Processes.

So, in the early days, the bank branch was the dominant location for **Product** delivery. We’ve seen that the investment in **Processes** has provided an increasing number of options. This means that in today’s banking environment, the bank **Premises** are now only one of a number of delivery channels available to the Customer.

Premises ...

Product delivery has changed dramatically in recent years. In the early days, physically walking into the bank branch was the main delivery channel. This was backed up with the postal system, which would predominantly handle cheques & statements.

As technology offered new choices {e.g. the phone, ATMs, call centres, phone banking, and Internet banking}, banks embraced it to provide a whole host of additional self-service options. Thus, the branch has moved away from being the sole channel for Product delivery. Banks have truly changed; from “bricks to clicks”, multi-Product, multi-channel.

New delivery options are tuned to match the needs and lifestyles of today’s Customers. The aim is to create a range of options available, each providing different levels of “Time & Place” convenience. This means that Customers are now typically able to access bank Products 24 hours per day, from most locations around the world.

Nowadays the **Product** set has become richer, the **Processes** have become more sophisticated, and the choice of delivery Channels has increased. The branch **Premises** however, are still one of the most regularly accessed “Service Touchpoints” for Customers. The bulk of Service **People** are located within the branch, so the branch Premises are one location where Customers often form their opinions about the standard of Service delivery.

People ...

There are typically three groups of People at work inside a bank branch.

- Managerial
- Supervisory
- Operational

Managerial staff have overall responsibility for the business operations and performance of a branch. Supervisory staff are often seen behind the bank Tellers, called upon to authenticate certain types of transactions.

Tellers are the most noticeable Operational staff, and usually seen behind the main counter. They are the People who serve Customers on a day-to-day basis, and process their transactions, such as cash withdrawals, cheque deposits, and Telegraphic Transfers.

Other Operational staff process the more involved transactions, such as account opening, or changes to details. They may be located elsewhere within the banking hall. Oftentimes, there will be an information counter at the entrance to the bank, for general enquires.

Operational staff are also located in space beyond the Tellers, and manage batch or other processes behind the scenes. These cover other important tasks, such as the regular clearing of cheque deposit boxes, or providing access to Safe Deposit Boxes.