

Bank Tabungan Pensiunan Nasional-Pensions

Sales improvement-a very long way in a very short time

Bank Tabungan Pensiunan Nasional (BTPN) is a publicly listed company that started its business in 1958 in Bandung, West Java. The Bank was originally set up to serve retired military personnel and obtained its license to become a commercial bank two years later. It changed its name to BTPN in 1986 and in 2008, TPG Capital acquired a majority stake (71.6%) through a public listing and their growth since then has been significant. BTPN holds approximately 30% of the market share for pension business in Indonesia.

“The Renoir team integrated themselves fully into the culture of our Organisation, and co-ordinated and drove the programme forward successfully.”

Ongki Wanadiati Dana
Deputy President Director

Key Results

Productivity Selling Rate
improved by 50%

Sales Representatives'
Efficiency increased by 80%

ANALYSIS

Renoir's Analysis found the following issues and constraints across the BTPN pension branch network:

Sales Productivity Improvement

- A daily management system of planning and managing prospects was missing and there was minimal supervisor's intervention in planning prospects' visits for the Sales and Marketing Officers (SMO).
- Inconsistent sales planning for both new and renewal accounts resulted in the sales staff duplicating effort, missing out on potential opportunities and ultimately, lower productivity and poor conversion rates.
- Lack of proper review mechanisms to review the performance of the sales team.
- Conflicting roles and responsibilities between supervisors and branch management resulted in limited accountability of performance.

- Sales effectiveness was questionable as most of the SMOs had received little or no product training.
- Despite the existence of operational targets, performance was not regularly captured or reviewed, resulting in no real improvement.

Management Control System (MCS)

- The existing MCS demonstrated that many reports existed, but some were duplicated and inaccurate. Improvement actions generated from meetings were not properly followed up.
- Control was mainly focussed at the branch level; hence there was no control or review on the personal performance of SMOs.

PROJECT APPROACH

The Project kicked off with Renoir's Focus Process™ for the first 13 weeks, followed by a 27-week installation. The Project Team, consisting of 2 Renoir consultants and a 10 member full-time Task Force team from BTPN, was able to conduct installations in 5 areas consisting of 90 branches and 200 SMOs. The use of BTPN internal Task Force ensured the cultural buy-in necessary for the sustainability of the project outcomes and helped to overcome the linguistic and cultural challenges.

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During the Focus Process™, we were able to highlight additional issues and concerns:

- Lack of proper a review mechanism to review the performance of the sales team.
- SMOs are often asked to perform jobs or tasks outside their job descriptions, therefore limiting their time for selling.
- Incentives change every month, confusing the SMOs, especially those who are not updated by their superior.
- Visits to the same customer by several sales representatives over a short period of time because there was no zone segregation.
- Financial performance was the only concern for the branch manager and supervisor at the end of the month.
- Areas and branches lacked standardised performance reporting and were unable to properly monitor the sales team's performance.

KEY INITIATIVES & ACCOMPLISHMENTS

Key initiatives, issues and concerns were reviewed by a bi-weekly steering committee, consisting of key leaders from the executive team. The meeting were chaired by the Deputy President Director and Pension Business Director. To ensure buy-in and ownership, the team spent the first 13 weeks identifying opportunities for improvement through process mapping, management control system (MCS) mapping and workshops. Processes were critiqued to identify areas for improvement and the MCS was reviewed to identify which key elements of the system were missing or ineffective. Key initiatives included:

- Designing a new Sales MCS that allows for operational transparency and drives a more consistent level of performance.
- Designing short interval control to ensure that performance is regularly reviewed, variances addressed, and behaviours positively changed.
- Improving sales planning processes and prospect management to ensure that potential clients are effectively targeted and existing portfolio lifecycle is effectively managed.
- Develop a training program for SMOs to support installed management systems and to improve their capabilities and effectiveness.
- Designing audits for installed systems to ensure behavioural change and sustainability.
- Changing the organisation structure from a branch sales to centralised sales organisation.
- Ensuring alignment of roles and responsibilities within the revised organisational structure and planned management system.
- Physically mapping out the zones of each area and cleansing the customer database, assigning them to the sales representatives, according to their locations.
- Designing the span of control that will allow efficient functioning, taking into consideration the geographic mix, number of customers and productivity performances.
- Further develop existing performance reporting and install Productivity Selling Rate (PSR) as the KPI for the sales representatives to capture operational sales performance.
- Install regional, area, and branch-level scorecards to increase operational transparency and improve targeted performance.

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