



"We needed steroids to get this done... and the steroids start with 'R[enoir]'"

**Mikel A. Aboitiz, President and CEO- City Savings Bank**

### Key Results

Achieved 15% NTB sales growth over and above external market growth.

Achieved Actual year-on-year growth of 49% over the 6 month base period against a contracted target of 5-8%.

Returned a project investment ROI of 241%.

Increased Total Outstanding Borrowers i.e. customer base by 19%.

Improved branch loans capacity by 42%.

86% of customers reported they would promote CSB to their friends and co-workers.

## City Savings Bank. Cebu City

Simply the Best, the sequel

City Savings Bank (CSB) was founded in 1965 as a thrift bank, with the majority of its revenues coming from loans to teachers. CSB increased its number of branches from 34 in 2012 to 51 in 2014, and continues to expand rapidly. Given this growth, the CEO wanted to develop and implement a Management Control System that would enable City Savings Bank to continue and manage its dynamic growth.

An initial "Simply the Best 1" project delivered a 32% increase in New to Bank Loans/New Sales (NTB) against an agreed target of 7-13% in five pilot Branches (NTB is defined as new customers or customers recaptured from competitors). Following this success, a further "Simply the Best 2" project was initiated with a national roll out and

### DELIVERABLES

The "Simply the Best 2" project executed the following deliverables over a 40 week Project:

#### **Installation of a Management Control System (MCS) to drive new sales nationally**

The enhanced Direct Sales Planning and Monthly Activity Planner focused on gaining additional market share. It reinforced the need for proper planning of resources and prioritising customers. The increased frequency and higher quality of prospect qualification resulted in a 10% average capture rate for sales efforts, compared with the industry average of 5.4%.

These initiatives increased the quantity of loan transactions by 15% over key external market growth factors.

#### **Improve In-Branch processes**

The project introduced new operational standards and targets, utilizing a newly-developed Customer Processing Tracker, alongside cascading Dashboards to monitor KPIs throughout the branch network. This monitoring system, coupled with regular review meetings, resulted in branches optimizing their individual loan application processes to reduce average customer time-in-branch from entry to exit by 42%

In addition, tools were introduced to facilitate indirect sales activities, such as bulk mailing and SMS texting, within the branch and monitor their effectiveness. This had the effect of increasing branch loan process and sales activities productivity from 55% to 89%.

#### **Develop new operational capacity**

To manage the growing branch network, a new tier of Area Managers was installed. These Area Managers were coached on tools to evaluate sales effectiveness and develop opportunities for the branches within their regions. Using the newly installed MCS, these new Area Managers were able to drive and continuously adjust sales tactics to respond to changes in local market conditions.

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The new managers were also supported by changes in the Corporate Centre, ensuring alignment of branch goals with corporate strategy and clarification of role accountability moving forward. As a result, branches have increased transparency, enabling them to understand their contribution to overall strategy, and empowering employees to make decisions that support both individual and group success. Coupled with skills assessment tools to enhance talent development, this drives a culture of continuous improvement, enhancing the systems and processes installed through the MCS.

### PROJECT APPROACH

“Simply the Best 2” was resourced by 2 full time Renoir consultants and a Project Manager who were engaged in both the Branch and Corporate Centre Operations work streams.

The initial 14-week phase focused on the identification and training of the new Area Managers from within the Bank. With the support of Renoir, these Area Managers were given the responsibility for the full installation of the MCS within one region of the Philippines. Following this installation, the appointment of the new Area Managers was confirmed, and they returned to their home regions to complete implementation of the full MCS throughout the rest of the branch network.

In conjunction with this development and installation phase, an alignment initiative was developed and driven from the Corporate Centre to ensure that operational systems fully leveraged the benefits of the new MCS. A Management Action Team (MAT) was formed to identify opportunities to enhance the corporate department functions, including a review of the Organizational Structure, revised reporting processes, and cascading of the annual strategic goals to branch deliverables. This allowed Renoir and the MAT to identify coaching and development opportunities, as well as enhancements to the MCS that would facilitate alignment of the branch network with Corporate Centre Operations.

Of key importance was that these changes would be sustainable. System coaching audits and continuous improvement tools were implemented to ensure that the new MCS had become part of day-to-day operations.

The objectives agreed by the MAT were then implemented as the MCS was simultaneously rolled out nationally by the Area Managers. Through implementation and application of changes to processes, system and skills, the minimum 5-8% growth target was surpassed to reach a 15% increase in NTB loans. The changes ensure that branch processes are effective, efficient and customer centric, and will drive sustained benefits for years to come.

### MAJOR ACHIEVEMENTS

#### FINANCIAL

- Achieved 15% NTB sales growth over and above external market growth.
- Achieved Actual year-on-year growth of 49% over the 6 month base period **against a contracted target of 5-8%**.
- Returned a project investment ROI of **241%**.

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## BEHAVIOURS

- 89% utilization of branch staff.
- Provided 1000+ hours of formal training and coaching i.e. Sales, Customer Service Excellence, Active Leadership.
- Introduced Active Management behaviours from branches to the corporate centre to enable management effectiveness, visibility, awareness and decision making confidence.

## SALES PROCESSES

- Substantially increased both the frequency and the quality of face to face sales through enhanced planning and improved prospect qualification processes, resulting in a 10% average capture rate for sales efforts compared with the industry average of 5.4%.
- Increased Total Outstanding Borrowers i.e. customer base by 19%.
- Introduced Penetration Planning & Sales Capacity Planning to support allocation of sales resources in order to increase NTB loans.

## IN BRANCH PROCESSES

- Improved branch loans capacity by 42%.
- Introduced customer standards, productivity tools, action planners & process controls as basis for continuous improvement culture.
- Introduced improved customer service monitoring, resulting in 86% of customers reporting they would promote CSB to their friends and co-workers.

## THE RENOIR GROUP

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