

Bank of Ayudhya

Focusing on employees to rise to the top

The Bank of Ayudhya Public Company Limited [Krungsri] was established in 1945, and its ordinary shares were listed on the Stock Exchange of Thailand in 1977. The Bank is currently the fifth largest bank in Thailand in terms of loans and deposits. Krungsri provides a full range of banking services to both commercial and individual customers.

Following GE's investment as a major stakeholder in Krungsri bank, their goal was to become one of the top 3 banks in Thailand. With a focus in Retail Banking, Krungsri relies heavily on the bank branches of the Distribution Group to deliver its products and services through direct contact with the majority of their customers. Given this strategic profile, they were developing and implementing multiple initiatives to transform the way the branches worked within the Group. These included frontline IT support, branding and employees' effectiveness and productivity, the most highly valued and perceived to bring the most benefit to both the Bank and its customers.

"Renoir has played an integral role in nurturing behavioral change. We have already begun to see cultural change in branches and the development of a more activity driven and challenging mindset through increased activity and performance levels, as well as a rise in the customer satisfaction indices".

Suwanna Jakraworavudh
Executive Vice President
Business Transformation Group

Key Results

200% improvement
in Sales Activity

12.8% improvement in
Applications Submitted

23% improvement in Customer
Satisfaction Survey result (NPS)

ANALYSIS

The Analysis revealed a number of concerns:

- The best branch had 11 times more sales activity than the worst branch
- 80% of Customer Service Representatives (CSRs) lacked sufficient product knowledge
- 70% of CSR's time was spent on non-core activities
- 64% of Sales were initiated by the customer
- 60% of customer's in-branch experience was waiting time without service
- 40% of Supervisor's time was spent on Administrative tasks
- 13% of CSR's time is available and not assigned to value adding activities
- Operational KPIs were not aligned with a Customer and Performance based organization
- Standard management practices at branch level were lacking

PROJECT

Krungsri Bank and Renoir embarked on a project to improve the Bank's performance by focusing on increasing the effectiveness of Sales and Service delivery. The initiative started with a pilot of 25 branches and then rolled out nationwide.

The first phase of the Project (36 weeks) was spent in Bangkok branches and the provincial area of Chonburi, to increase the effectiveness in the way the Distribution team worked to deliver Sales and Services within the branch.

The project, named 'WI-T Krungsri' ('Way of Krungsri') was focused on improving the branch staffs' effectiveness in sales activities and service delivery. The team consisted of Renoir consultants and seconded

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Krungsri employees who were trained and worked on a full time basis to become an integral and vital part of the process. These employees (the Taskforce) were selected from outstanding individuals from branches and junior head office management. The team led the change through a focus on opportunity identification, savings assessment and target attainment. Four Management Action Teams (MATs) were also created and headed by key managers. The MATs included cross functional members from across the business and were focused on: Branch Support, Customer Experience, Sales Force Effectiveness, and Customer Relationship Management. These teams were charged with achieving Sales productivity and Service through improved planning, control and execution.

BRANCH MANAGEMENT CONTROL SYSTEM (MCS)

New and standardized systems and tools were developed to enable branch managers to be more focused on sales and service targets, planning mechanisms and performance reviews. The improved branch management control system included;

- Planning elements on managing branch service delivery
- Sales management
- Controlling elements through a standardized meeting structure, allowing for a more timely and comprehensive service and improved sales management
- Enhanced, continuous improvement behavior through increased collaboration
- More clearly defined roles, responsibilities and expectations.

To install the tools, all levels of branch management went through systematic training and familiarization programs, in formal classroom sessions, followed by extensive on-the-job coaching. The change in regional and branch manager performance and approach was significant, with consistent, effective, detailed daily sales & service plans and team productivity reviews. As a result of this initiative, all operational metrics were positively influenced. These metrics included:

- Average CSR Sales Activity improved from 3 to 9 activities per day, by week 30 (200% improvement from base)
- Applications In per CSR per Month improved by 12.8% compared with the control group (Non Project branches)
- Customer Service Survey score (Net Promoter Score, NPS) improved by 23% or 8.7% more than the control group (Non Project branches)

Krungsri now has more control over the branch management model and are positioned to reap further rewards through a nationwide roll-out.

THE RENOIR GROUP

Renoir Consulting is a world leader in sustainable, implemented change. Founded in 1994, Renoir has offices located in North and South America, UK, Europe, Turkey, Middle East, Southern Africa, India, Pakistan, China, South East Asia and Australasia. With over 350 fully employed and highly trained consultants, their work across a wide range of industry sectors gives them a broader perspective of the issues facing your business, allowing them to be sensitive to your unique challenges, culture and specific business issues. This cross-pollination ensures truly effective, rapid and sustainable solutions.

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