

BTPN Mitra Usaha Rakyat

Using operational transparency to drive performance

Bank Tabungan Pensiunan Nasional or BTPN, is a publicly listed company that started its business in 1958 in Bandung, serving retired military personnel, and obtained its license to become a commercial bank two years later. Then it changed its name to BTPN in 1986.

In 2008, TPG Capital acquired a majority stake in the bank, following which BTPN expanded into micro and small enterprise financing, es-tablishing two additional businesses, successfully and rapidly growing in these areas.

“Renoir’s approach of identifying the opportunities and developing solutions, together with our management team, in order to create buy-in is a key differentiator when comparing with other consultancy firms.”

Djemi Suhenda
Deputy President Director

ANALYSIS

Renoir’s Analysis found the following opportunities across the BTPN MUR branch network:

- Existing prospecting could be im-proved to ensure that viable candidates were identified and fed into the sales funnel to help sales force productivity
- The standard deviation in the num-ber of accounts opened per month indicate a scope for developing in the approach to sales targets
- Existing collections visit planning and interaction rate levels point toward a unused capacity in collection rates, which could also be advanced by enhancing account health transparency
- Daily financial performance reviews could be modified to include operational performance, in order to drive change towards the desired level of performance
- Operational performance reporting could be improved to capture action plans
- Varying levels of effective branch management gives opportunities to improve both good and poorly per-forming branches by driving closed loop reviews and increased short interval control.

PROJECT APPROACH

The Project kicked off with Renoir’s Focus Process™, followed by a pilot instal-lation, leading into an implementation period. Using Renoir consultants and Task Force from BTPN, the project team targeted to conduct the implementation in large section of BTPN’s nationwide coverage, consisting of 300 branches. The use of BTPN internal Task Force enabled cultural buy-in necessary for the sus-tainability of the project implementation.

During the Focus Process™, the project team were able to identify additional areas to develop solutions for and their respective implementation plans:

Sales:

- Sales areas could be divided into zones leading to a ordered approach to prospect follow-up
- Sales visit plans needed to be linked to the existing prospects in order

Key Results

Productivity Selling Rate
improved by 20%

Productive Collections Rate
improved by 10%

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to increase effectiveness of sales visits.

- Success Rate and Sales Process adherence could be improved by developing supervisory control on sales representatives
- Activity based metrics could supplement existing performance reporting improving shorter interval control on the sales process.

Collections:

- To develop the approach to existing debtor database usage, updating and conversion into visit mapping would lead to a more organised approach to client management.
- Realignment of Branch Service Managers' KPI's and collections roles would help improve focus on task based management.
- Monthly planning could be rolled down to weekly and daily planning in order to control the efficiency of the collections representatives.
- Daily review meetings need to focus more on operational productivity, as well as financial achievement.

KEY INITIATIVES

The key project objective was to drive up and improve operational productivity. With this in mind, the project scope was developed to incorporate institutionalising the key measurements of efficiency and effectiveness, arriving at productivity quantification. As sales and collections are equally important to BTPN MUR's business, both areas were covered in the programme.

Renoir's Focus Process™ initiated the buy-in and ownership process, identifying opportunities for improvement through process mapping, management control system (MCS) mapping and workshops. Fundamental processes were discussed to identify areas for improvement and the management control systems were reviewed to detect which key elements of the system needed to be developed.

The project governance was structured such that all issues and concerns were reviewed by a bi-weekly steering committee, consisting of senior and key leaders from the executive team. The meetings were chaired by the Deputy President Director and MUR Business Director, and the agendas focussed on reviewing the progress of the design, development and implementation of the key deliverables, which were:

- A new Branch MCS which enables operational transparency and drives a more consistent level of performance, in both sales and collections, through shorter interval controls.
- Operational productivity metrics, using existing data, with new reporting and review mechanisms, to improve the quantity and quality of sales' and collections' visits.
- Short interval control mechanisms and joint field work structure to ensure that performance is regularly reviewed, variances addressed, and behaviour changed.
- Sales planning, prospect and pipeline management processes to ensure that potential clients are effectively targeted and existing portfolio lifecycle is effectively managed.
- Audit mechanisms for sales and collections management systems and processes to ensure behavioural change, sustainability and ease of system comprehension.

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- Branch zoning and sub-zoning in order to increase operational efficiency and optimise geographic coverage and client engagement.

THE RENOIR GROUP

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