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Bite off what you can chew: The million-dollar, money-saving lessons Pac-Man can teach banks

Unless you are a de novo bank, branch transactions aren't likely to increase and a multitude of others now transpire electronically. The banking industry now supports customers with more routine-based interactions via alternative delivery channels; less frequent, more complicated transactions take place in financial centers. This shifting dynamic compels banks and credit unions to realign processes and procedures based on what customers want. With so much change in the past five years, can banks still conduct business the same way?

Process improvement initiatives help many organizations adopt new efficiencies that support increased profitability and leaner operating standards, and deliver a superior customer experience across delivery channels. But how do you get an entire company involved and committed to the change management process for employees?

Now comes time to fish out a metaphorical quarter—for the characteristics of an '80s arcade game may contain a secret to success for financial institutions.

For on the process improvement journey, *the most successful organizations banks often take a Pac-Man approach: biting off small pieces of the identified opportunities to minimize the change management impact to employees and customers as they move up to the "next level."*

Why not celebrate successes internally when your institution reaches new levels in the game? Here's a process improvement strategy we recommend that can save time and money, build efficiencies and enhance customer experience—without stressing out your employees.

Getting into the game: Bring in the third party

Before commencing your project, get an unbiased third party (whether an internal champion or external consultant) to serve as project coordinator or lead—preferably a person with fresh eyes and hopefully a data-savvy **Six Sigma** background. That will help ensure no process is overlooked or missed due to an unintentional bias; the person who reviews the procedure shouldn't be the same as the one who develops it.

Once you've got a project coordinator, administer an electronic, **anonymous employee survey** across your organization for each functional area. Pose different questions to each area as well as they'll help the project coordinator determine how to frame the second stage of the project: in-person observations. Include a comments section or open-ended questions to allow the employees to provide the most detailed, constructive information to support the project objectives. It's also imperative that the CEO or executive management communicates to employees before survey distribution: to share project objectives and stress the importance of providing candid, constructive feedback. Calm fears before they appear: "This is *not* about staff reduction but to achieve peak efficiency with company resources." Returning to the Pac-Man metaphor, each response creates a "bite" of information and uncovers "ghosts" that could derail progress. And hitting that reassuring note for CEOs is like Pac-Man crossing over the "big dot" that makes the ghosts run away.

In-person gets you in tune, maps make the way

With complete surveys in hand, the project coordinator and supporting project members should review feedback from each functional area to set highest-priority areas that hold the greatest opportunities for employee and customer impact. Now, **conduct in-person observations** with each functional area, observing the key tasks or procedures employees and managers have identified. Also: Review the same procedure with multiple employees of varying tenure, hopefully multiple times.

The third step in the project enables its success: **Create detailed process maps**. For instance, one would include every step required from the minute a customer initiates a loan request—through booking, funding, all the way to scanning and indexing. Track each individual step; record when each employee completes it and when the process transitions to another department through color coding in the process map. Following the full trail will help you "eat more dots" and define more opportunities to "win points."

Creating a true process map will also allow department champions to balance risk and reward, matched with compliance and regulatory requirements. This happens in step four, **identify opportunities**. Here, focus on removing waste from the process. You'd be surprised that almost

every bank process can become more efficient in some form or fashion. *Remember: An unbiased third party without skin in the game can deliver fresh perspectives that overcome the “we’ve always done it this way” attitude.*

Prioritize the prize

Once the project coordinator finishes their formal report has been prepared by the project coordinator, departmental champions should receive their process maps and employee feedback trends, and the recommended guidance for streamlining. We suggest the champions participate in a mini-workshop where each gets to **prioritize opportunities**. We find it beneficial to categorize report recommendations based on the functional areas with the largest impact, “quick wins” and long-term strategies.

When the workshops end, each champion should prioritize their top seven to 10 process improvement initiatives as part of the organization’s project plan. Each initiative represents a level in your game: How many can you complete in one or two years without compromising the regular running of your institution?

This supports step six, **build the project plan and timeline**. Aside from department goals and steps required, this should include any critical partners so the project coordinator can assist in balancing time commitments and deadlines for each functional area. This format also supports a streamlined monthly update process to minimize time requirements for your subject matter experts. Provide monthly updates to the executive committee or the management oversight group.

Sixty days, scores of wins

So: How long will it take for efficiencies to materialize? *For most organizations this can happen in less than 60 days*, especially when you identify and strategize around “quick wins” to maintain momentum. “Quick wins” are like Pac-Man’s “fruit bonuses”; they generate excitement and commitment to complete the level. In fact, many organizations enlist assistance from an outside party with Six Sigma “Black Belt” certifications in realizing a cash-on-cash return of five to seven times the investment dollars and energy put into the project—in almost all cases as annualized savings.

Following the dramatic impact of analysis and results, many organizations begin to review their processes every three to five years, depending upon their size and growth. Those that do truly build a culture of process improvement and create an ongoing savings mechanism. That’s wise given the technological advances, changing customer preferences or even just annual core releases that present new chances to continue analysis that maintains the highest possible efficiency in your organization.

Start now. This challenge isn't going away. That noted, phase in your action plan so it doesn't disrupt your business or overwhelm the subject matter experts. There is literally no down side—and even if you find your organization is a fine, well-oiled machine, then it offers a great affirmation. And if you want to treat your victorious team with an arcade version of Pac-Man for the break room, so much the better.

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