Process Excellence for Finance

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Today…

A quick look at CBA’s Productivity journey over the last decade

1. Our Journey
2. Changing Culture
3. Problem Solving
4. The Future
Institutional Banking & Markets

Providing tailored solutions to the Bank’s corporate, institutional and government clients

- **Client Coverage Group**: Active relationship management and delivery of the Bank’s capabilities
- **Global Markets**: Leading service provider of risk management and financial solutions for our clients in global financial markets
- **International Offices**: Delivering of trade finance, cash management and financial markets activities in Asia, Europe and the US
- **Business & Corporate Finance**: Delivering dynamic banking solutions to improve our clients’ businesses and support economic development.
- **Cash-flow & Transaction Services**: Managing products that support the immediate working capital needs of our relationship managed clients; encompassing deposits, merchant transactions and CommBiz
- **Strategy & Operations**: Providing a range of strategic initiatives and operational services for our industry verticals, products and geographies
Over a decade… and still improving our approach

2004
COMMWAY

2005-2007
Right processes,
Right skills,
Right goals
and
Right encouragement

2008
PROCESS EXCELLENCE

2008-2012
A collection of
mindsets,
behaviours,
methodologies
and tools

2013
PRODUCTIVITY

2014
Build scale

2015
Embed capability

2016
Simplify & standardise

2017
Differentiate

Innovation Lab & Design Thinking

Over a decade… and still improving our approach

Confidential

4
Commonwealth Bank of Australia

Commonwealth Bank of Australia

4 | Commonwealth Bank of Australia | Confidential
“Productivity” has been a long term investment

So what does today look like?

CAPABILITIES

VISION

MAKING THINGS SIMPLER AND EASIER FOR OUR CUSTOMERS AND EACH OTHER

STRATEGY

Results & Value for our Customers
We can create more value for our internal and external customers by making products, processes and services simpler, easier and more cost effective

Drive Behaviours
We can embed the Productivity culture and constantly innovate what we do

Build Capability
We can build best-in-class Productivity capability to create value

Process Centricity
We can design a clear “end state” for each of our major processes that are simple, standard, consistent, and channel agnostic

Customer Centricity
We can leverage our standard processes to provide a dynamic customer engagement to differentiate CBA from competitors that can’t offer the same experience

2013 ESTABLISH FOUNDATION

2014 BUILD SCALE

2015 EMBED CAPABILITY

2016 SIMPLIFY + STANDARDISE

2017 DIFFERENTIATE
Culture…

Behavioural change is key to successfully embedding “continuous improvement” into the way you work.
Cultural change is difficult… but not impossible

BEFORE

...we don’t have any processes!

...productivity isn’t applicable here

...I know what needs to be done, so I don’t need to follow a “standard”

...we always reinvent the wheel

...we don’t have any problems

...no targets / KPIs ...no data

...things never change

...everything we do is unique / bespoke

...it’s not my problem

...productivity = redundancies

DURING

Leaders begin to “walk the talk”

Lagging / output metrics

Use the CI language

Lots of problems, but how do we fix them?

Data, but no insights

Simple tools = quick wins

Nurture early adopters & influencers… these are next generation of leaders

AFTER

✓ Clear roles & responsibilities
✓ Clear understanding of end-to-end process
✓ Focus on leading metrics & process KPIs
✓ Productivity makes your job easier
✓ Productivity is everyone’s responsibility & KPI
✓ CI opportunities everywhere
✓ Ownership of improvements

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PRODUCTIVITY [proh-duhk-tiv-i-tee]  
*noun.* The effectiveness of productive effort; a measure of the rate of output per unit of input

BUT WHAT DOES THAT REALLY MEAN FOR EVERYONE?...  
Successfully engaging *all* staff in a culture of continuous improvement where we make *any* kind of change that delivers better results [*output*] with our available resources [*inputs*]

**TIME**
- Faster cycle times & reduced wait-time
- Fewer touchpoints
- Eliminate time spent on non-value add activities
- Increased capacity
- Work/Life balance

**QUALITY**
- Deliver what & when the customer wants
- Less rework & errors
- Right first time
- Straight through processing
- Better data

**COST**
- Lower expenses (procurement; write-offs; refunds; fines; chargebacks)
- Higher revenues (product range; cross-sell; new value-add services)
- Less capital usage

**RISK**
- Fewer hand-offs & simple processes
- Reduce key person risk with SOPs
- Fit for purpose controls
- Clear RACIs

**AWARENESS**
Embedding it into our DNA

Seamless Processes
“Intelligent, easy day-to-day processes that free up capacity and resources for us to better serve clients, and for clients to better service their clients!”

Standard KPI
Everyone, from CEO down, has a meaningful Productivity-related KPI which impacts their pay check.
IB&M Productivity

Trusted problem solvers, working right by your side to make things simpler for our clients and our people

Generating Benefits
Solving IB&M & client problems with tangible results: less capital, lower costs, higher revenues, faster processes, higher quality output, & less operational risk

Building Capability
Turning knowledge into practical skills… providing IB&M teams with hands-on, pragmatic advice in the real-life application of productivity tools & techniques

Enhancing Culture
Embedding Productivity into the everyday work practices & DNA within IB&M teams, to create simple, seamless processes that help deliver better results for everyone

Business Engagement
Effective stakeholder & change management to accelerate the understanding & adoption of IB&M’s Productivity approach & the implementation of solutions
Capability…

How to go about continuously improving

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Embedding a “CI” Mindset

To be self-sustaining, everyone must know HOW to make lasting improvements

**Personal Productivity**
- Focus on VALUE and WASTE
- Prioritisation & goals
- Effective meetings
- 5S your workspace

**Productivity Habits**
- Visual Management
- Team Huddles
- SOPs
- CI
- Gemba Walk

**Problem Solving**
- Listen to your customers
- P-D-C-A
- D-M-A-I-C
- LEAN
- KAIZEN
- Design Thinking
The Four Habits

Once in place, habits change behaviours and behaviours influence your culture

Visual Management •

Team Huddles •

Continuous Improvement •

Standard Op’ Procedures •

Gemba Walk •
Productivity Experts

T-shaped capability & skillsets to tackle bigger business opportunities and challenge the status quo
Next…

What’s the future of “Productivity”?

1. Our Journey
2. Changing Culture
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AGILE

LEAN 6σ

DESIGN THINKING

Welcome change

You spoke, we listened.

Making your banking better.

At CommBank, we're making some changes. We're looking at how we can make things simpler and fairer for all. And the best thing is, they're changes inspired by your comments.

That's why we think you'll agree these changes are, well, very welcome.
But where are you heading?
Thank you

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