Building Improvement Habit

Submission to Digital Transformation & Operational Excellence Awards

Categories

1. Best Achievement in Cultural Transformation & Sustainability to deliver a high performing Enterprise excellence culture

2. Best achievement in Operational Excellence to deliver Business Transformation

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30/09/2021

Synopsis

"We are what we repeatedly do. Excellence, then, is not an act, but a habit."

Aristotle

In late 2019, we embarked on a journey to embed continuous improvement as our corporate habit. We based this on the **"A3" problem solving** approach that incorporates **Dynamic Work Design** and **Toyota Kata**. Our goal is to have every person in the Bank constantly identifying problems and solving their root cause. These small, **incremental steps compound and foster outperformance** over time. The objective was to strengthen the improvement muscle through a consistent approach that focuses on **problem framing**, **go and seeing the work**, solving for **root cause**, cross team **collaboration**, weekly **check-ins with the sponsor** and **experimentation**.

We designed and executed a structured program of awareness, training, targets, incentives, tools, communication, leadership role modelling, coaching and recognition across **59 countries and 85,000 colleagues**. We defined a compelling **North Star** and used **metrics to track progress**. To drive adoption at scale, we built **innovative tools and practices** leveraging technology, social & gamification concepts and adopted best practices from other disciplines.

While we are far from the finish line, in less than 2 years, we are already seeing big results. Over **9000 colleagues** are actively driving improvements using a **consistent approach**, over **5000 improvements** have been made across all regions, businesses and functions delivering over **150 million dollars** in impact and **improved client experience**. A3s have become **part of our bank's vocabulary** and we are seeing **increased engagement** amongst our staff.

In late 2019, we embarked on journey to **embed continuous improvement** as our **Corporate Habit**

Based on Toyota's A3 Approach & the Power of Tiny Gains,

- Leveraging **A3** problem solving approach, incorporating Toyota Kata and Dynamic Work Design.
- Goal to have every person in bank constantly identifying problems and solving for root cause.
- Incremental steps to compound and foster outperformance over time.
- Focus on problem framing, going and seeing the work, solving for root cause, cross team collaboration, weekly check-ins with the sponsor and experimentation

Source: Atomic Habits, James Clear
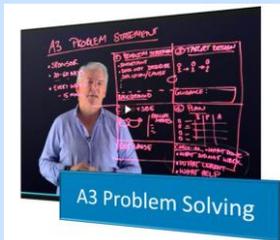
Click to watch our Group COO explain A3s

the movement has delivered significant impact in less than 2 years

Engagement & Scale

In less than 2 years, and across 59 countries and 85k staff

- **18,200** Staff Trained
- **9007** Staff engaged in improvements using A3s
- **1300** sponsors
- **903** Coaches
- **500+** Champions
- **5,260** improvements using A3 approach

Benefits

Incremental Revenue Generated: **USD 63 million**
Cost Saved: **USD 65 million**
Capacity Created: **712 FTEs**
Client waiting hours reduced: **215 million hours**

and has become integral to our Bank's transformation strategy

New Ways of Working (NWoW) is the Bank-wide effort to transform the way we work, to make it easier for our people to get work done and meet the needs of our clients quicker and safer.

Driving Client Obsession: Develop a deep understanding of client needs through Voice of Client and mapping Client Journeys, and aligning our strategy and investments to improve the way we meet those client needs

Embracing Organisational Agility: Transform our operating model (people, process and systems) to cut across structural siloes and foster higher collaboration, faster data-driven decision making and rapid delivery

Building Improvement Habit: Build a culture of never settling with the status quo, and continuously driving improvements (using A3s) to increase the pace and size of value delivered to Clients

A3s have become part of our bank's vocabulary and a key feature on our culture dashboard

We designed and executed a **structured program** of **awareness**, **training**, **targets**, **incentives**, tools, **communication**, leadership role modelling, **coaching** and **recognition** across 59 countries and 85,000 colleagues

Measuring what matters

At the outset, we set a compelling vision & goal for ourselves

We set up a measurement system* that tracked real time progress

*See Appendix I on Measures

Building Capability

We created a Best-in-class training curriculum that included classroom, virtual and On-demand delivery

- 51k hours
- 18k staff
- Ranked #1 in SCB

We also setup and scaled the A3 Champions network, a community of coaches who would drive A3s in their areas
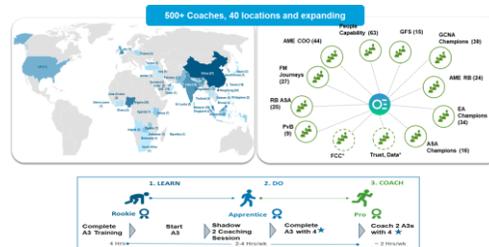
Leadership Role Modelling

We got commitment and sponsorship amongst the business leaders

- Adoption of A3s in scorecards
- Targets taken by many leaders

Leaders created personal capacity to learn, apply, coach and then drive the adoption of A3s in their teams

- 100% of Managing Directors in Operations sponsoring at least 1 new A3 in a quarter
- All BUs in Ops have a formal A3 program

Engagement

We launched an aggressive communications campaign

- Newsletters
- Success stories
- Leadership series
- A3s of the month

& formalized quarterly Rewards and Recognition program

To drive adoption at scale, we designed **innovative tools and practices** leveraging **technology**, **social** & **gamification** concepts and even adopted **best practices** from other disciplines

A3 Portal
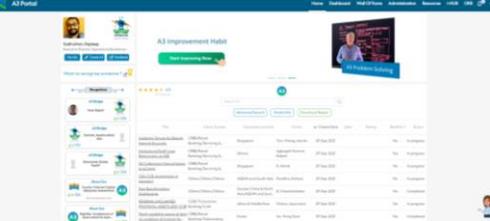
- Bank wide platform to capture all improvements being made using the A3 methodology
- Makes the entire transformation visible
- Sharing of projects and best practices
- Captures metrics improved as well as benefits
- Real time dashboards and metrics
- Social features to recognize, comments and likes
- Leaderboards and gamification features to encourage adoption

Improvement Hour

- Habit formation needs a CUE & sustained routine
- Predetermined, dedicated hour set aside every Thursday for improvement related efforts
- Time invested in improvements gives outsize returns over a longer time
- It's not an additional work item, but supplements & channelizes our existing improvement efforts

Star Ratings to measure Quality

- Ensuring consistency and proper usage of A3 principles at scale
- 5 Star ratings from Amazon, IMDB, Tripadvisor
- 10 objective parameters to assess quality
- Self rating by project team along with sponsor
- Critic rating with comments to improve by experts coaches.

Certification Pathway
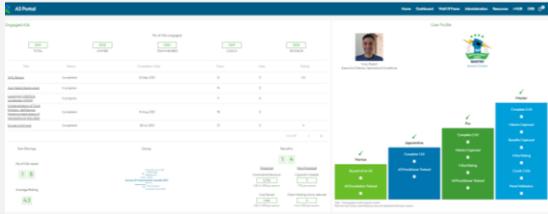
- Gamified Proficiency pathway at 4 levels
- Incentive to do more, do better and coach others
- Objective parameters that allows staff to self assess
- Automated certification & administration process with reporting
- 4700+ staff with badges
- Personalized recognition at highest level

In less than 2 years, over 9000 colleagues are actively driving improvements using a **consistent approach**, over **5000 improvements** have been made across **all regions, businesses and functions** delivering over **150 million dollars** in impact and **improved client experience**

Consistent Approach

A3 – Structured Problem Solving
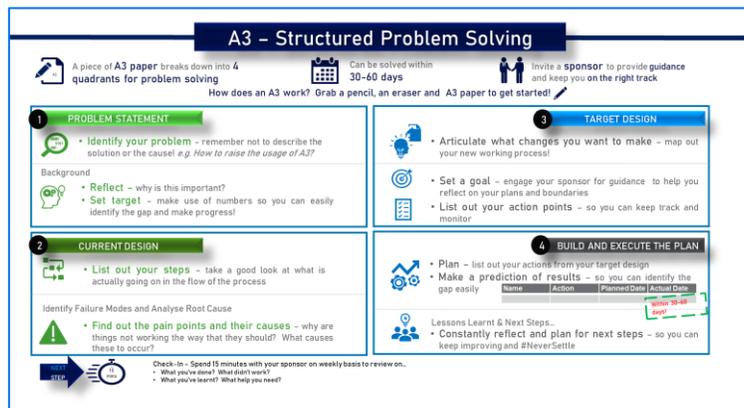
Across 59 countries
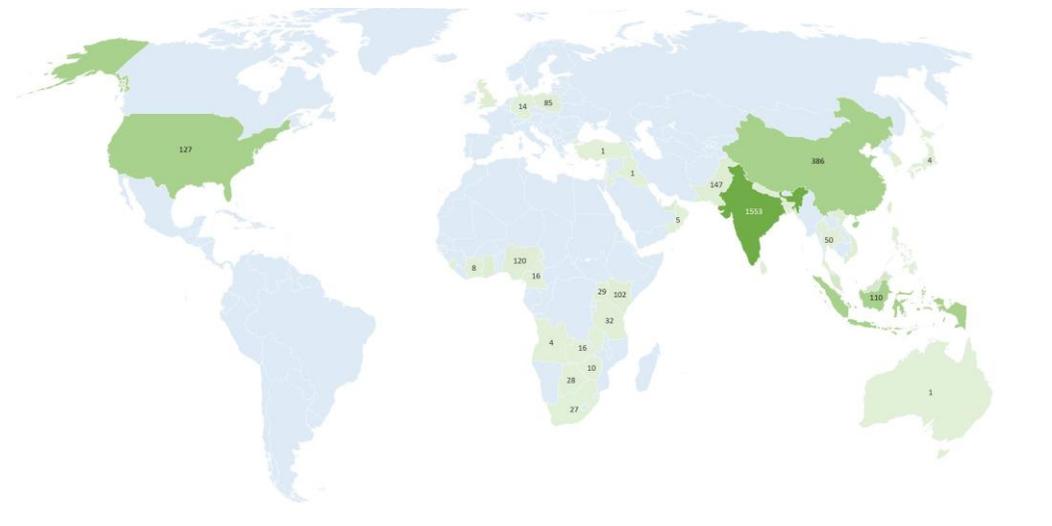
Nature of Improvements

Retail Bank

- Reducing Customer Onboarding time for cards / loans
- Reducing client queries using Chatbots
- Increasing Digital adoption rates for mass market customers
- Reducing customer complaints
- Improving Straight through processing of transactions

Corporate & Institutional Bank

- Improving loan disbursement process
- Reducing time to onboard clients across multiple jurisdictions
- Reduction in front to back breaks in Financial markets
- Simplification of load syndication process in the US

Functions
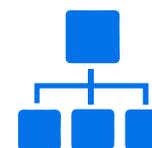
- FIN: Reducing vendor queries
- SCM: Reducing time to onboard outsourcing vendors
- HR: Attrition Reduction
- HR: Improving employee Onboarding experience

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Click to watch our bank's journey in crossing 5000 A3s in this 2-minute video

Appendix I: Improvement Habit Measures
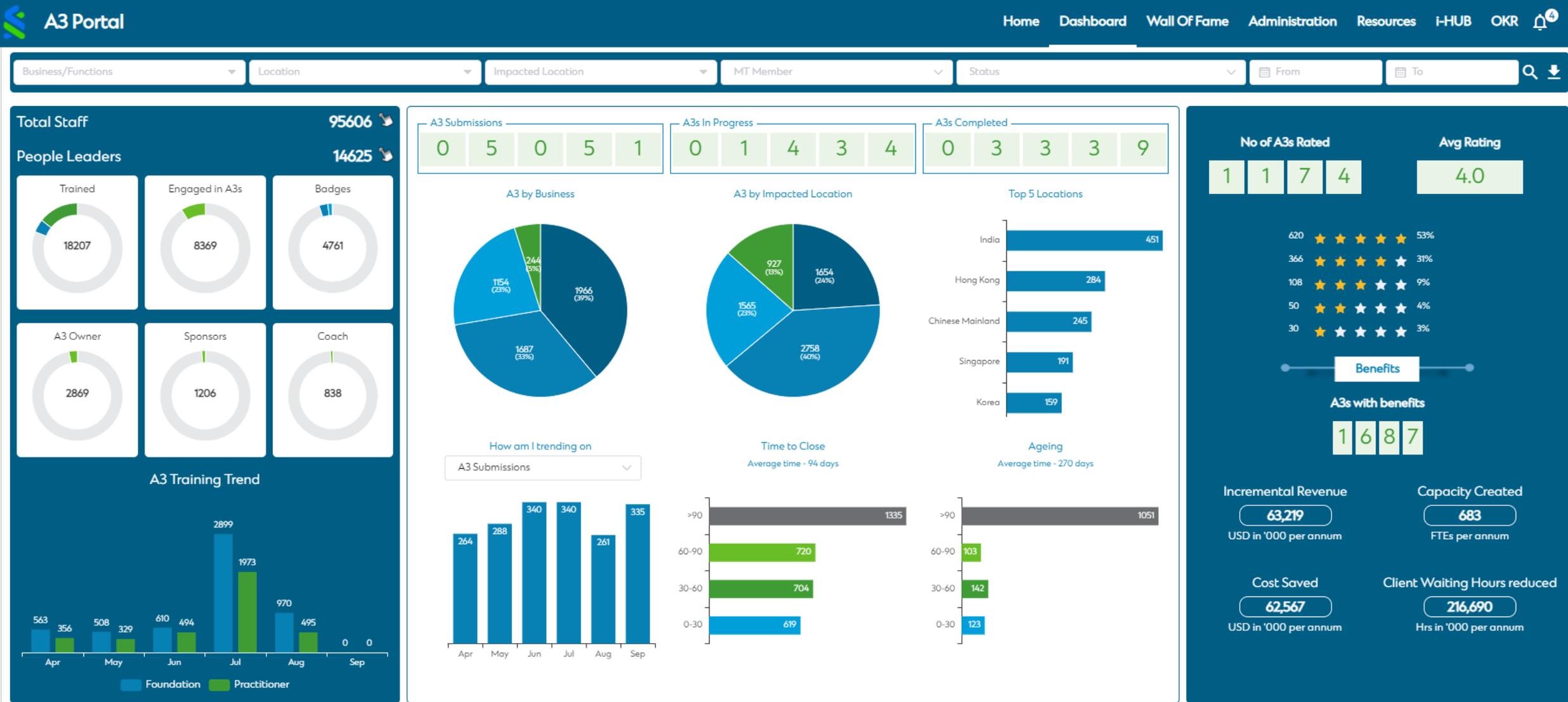
Appendix II: Illustrative Examples