

**Review of Wholesale Lockbox Operations Provides 800% Project Pay-Back for ABN AMRO**

**Challenge:** To improve processes and management tools in lockbox operations

**Solution:** Demos uses StaffSmart Enterprise® to review processes, capacity and scheduling to identify opportunities for improvement.

**Results: 8 to 1 Project Pay-Back**

ABN AMRO's wholesale lockbox department, located in Chicago, provides lockbox services to commercial customers throughout the United States. This department had challenges in workforce management, overtime and scheduling disciplines.

**“We really needed a way to better align staffing and schedules with incoming mail volumes.”**  
ABN AMRO shift manager

**StaffSmart Enterprise™**



**Challenge**

Staffing levels in ABN AMRO's wholesale lockbox department had risen over time to accommodate employee requests. The increased staffing levels, however, did not increase productivity rates. ABN AMRO management had several study comparisons that indicated that the department provided high-quality service but received average marks on productivity, and was unable to identify the source of this disparity.

**“We've made permanent changes in our management processes and we have better tools now to support those processes. These are lasting changes that we'll be able to manage.”**

Barry Barretta, Group Senior Vice President, ABN AMRO

**Solution**

Demos Solutions' operational review/diagnostics process uses a standard, three-pronged approach as a best practice to understand each individual project's/department's work and time standards. Outlined below, this method enables Demos to extract all of the data points required for an operational efficiency review, accurately identify excess capacity and outline clear, easy-to-implement changes for any business line to align work requirements with scheduling.

- Process Review: identify, quantify and prioritize process improvement opportunities
- Capacity Planning Review: development of a high-level capacity plans inclusive of staffing underage and overage recommendations
- Scheduling Review: to fully understand initial staffing mix and skill sets, develop high-level schedules highlighting areas for improvements against SLA's. Uses data from the capacity planning step and Demos Solutions' StaffSmart Enterprise workforce management software.

For ABN AMRO's wholesale lockbox operational review, Demos Solutions focused initial effort on the development of informational needs to build the high-level capacity models. Demos Solutions generated staffing capacity models, which enabled the team to identify best-in-class production metrics, and the areas with over or under staffing. Then, by incorporating of arrival or work volumes and operational deadlines, Demos Solutions was able to assess if current staffing schedules were optimal or if opportunity existed to modify shifts or full time/part time mix of staff.

Next, the Demos Solutions team reviewed all major work activities and arrival of work information to incorporate into process of scheduling refinement. This entailed working with mid- and front-line management, as well as the respective staff involved in the processes. Demos Solutions' capacity model provided the basis for prioritization of process review and improvements.

In less than two months Demos Solutions presented a wholesale lockbox diagnostics review to senior executives within ABN AMRO's Service Products Group. By offering both quantified benefits and actionable implementation advice, Demos Solutions empowered the executives ABN AMRO's Service Products Group to continue moving forward with their productivity improvement project via internal implementation.

In the year following its wholesale lockbox operations review, ABN AMRO contracted with Demos Solutions to conduct additional diagnostic reviews. Demos Solutions completed an operational review of ABN AMRO's Electronic Payments & Reporting line, and its eBanking group. Additionally, ABN AMRO hired the Demos Solutions team to implement recommendations contained in the diagnostic reviews of these departments.

### **Results**

As a result of the Operational Review, significant benefits totaling \$3.3 million were identified, documented and presented to all levels of management within the Wholesale Lockbox area. This represented an identification of an immediate capacity savings of \$660K (22 FTE) through improved schedules, overtime management and process improvements. The remaining \$2.5 million could be achieved through implementation of process improvement recommendations and front-line management capacity, scheduling, and reporting tools and techniques.

ABN AMRO's internal implementation of key changes that Demos Solutions presented in the diagnostics review has yielded the following results:

- 38% increase on operating margin
- 11% increase in overall volume activity
- 6% reduction in headcount
- Maintained quality levels

### **Products Used**

- StaffSmart Enterpris e®
- Demos Solutions' hands-on consulting services

For more information about Demos Solutions' consulting services or other productivity solutions for your financial services organization, please contact Demos Solutions at 1.800.434.4924 or visit us at [www.demossolutions.com](http://www.demossolutions.com).