



Five Ways to Improve Efficiency in your Bank

BY LOREN PRAIRIE, PCI PRESIDENT

With the current pressure on margins and profitability, operating efficiency is increasingly important.

A culture of continual process improvement is a key component to achieving optimal efficiency.



FIVE WAYS TO IMPROVE EFFICIENCY

01 STANDARDIZATION

Is everyone doing the same job doing it the same way?



AUTOMATION

02

Are we fully utilizing the capabilities of automation?

03

ELIMINATION

Are there tasks that we can simply stop doing?



WORKFLOW

04

Do we have the right work on the right desk?

05

PRODUCTIVITY

Do we have the right staff doing the right things?





5 WAYS TO IMPROVE WORKFLOW EFFICIENCY

1) Standardization – is everyone doing the same job doing it the same way?

- Is there a defined process?
- Is there a written procedure?
- Do we train staff on the right way to do the function?
- Is there tracking to assure that the process is followed?

2) Automation – are we fully utilizing the capabilities of automation?

- Are there features and functions of automation that we have but don't use?
- Do we have “owners” of our technology who are our in-house experts?
- Is there new/better technology that we can cost-justify?

3) Elimination – Are there tasks that we can simply stop doing?

- Are we duplicating on paper what is done electronically?
- Is there more dual control and check back than we need for the risk?
- Is it necessary to review every item?
- Can we reduce the number of items that are reviewed?

4) Workflow – Do we have the right work on the right desk?

- Should some functions be centralized?
- Are the administrative and processing functions in the right place?

Quote
from BILL GATES

The first rule of any technology used in a business is that automation applied to an efficient operation will magnify the efficiency.

The second is that automation applied to an inefficient operation will magnify the inefficiency.



5) Productivity – Do we have the right staff doing the right things?

- Do we have the right skills in our staff?
- Do we measure activity volumes / by department / by staff member?
- Do we have standards?
- Do we track errors (quality)?
- Do we provide feedback to our employees on their performance?

While those seem straightforward, implementation is more difficult. All banks have defined processes for completing a loan, but few banks have a process for review and improvement of workflow.

Various tasks and functions seem to get done and very few banks have someone tasked with workflow improvement or analyzing the way we work – and what's behind it.

The concept of continuous process improvement is something many community banks are just beginning to focus time and resources on.

Quote
from LLOYD DOBENS

**Continual
improvement is an
unending journey.**