

## **Loan Operations Business Process Improvement Implementation**

**Client Need:** A regional bank's commercial loan operations department had been unable to recover from setbacks to service levels sustained during conversion to a new loan system 10 months earlier. The department had not been well positioned to implement major change while simultaneously sustaining rapid growth, even prior to conversion. During a previous end-to-end assessment of small business and middle market lending for the organization, BenchMark had made many recommendations for improvement within loan operations. Because of resource constraints and lack of subject matter expertise, loan operations management was unable to implement the recommended changes without assistance.

**Solution:** BenchMark and loan operations management selected and prioritized recommendations for implementation that would have the greatest impact on service quality in a short timeframe. BenchMark directed the implementation by serving as project manager and subject matter expert, utilizing bank staff as the project team. Throughout the engagement, BenchMark made additional recommendations and tasks were reprioritized in order to address issues of greatest concern to business partners and to position the department to sustain continuous process improvement.

**Results:** At the end of the eight-month engagement, a survey was conducted among business partners. 65% responded that service quality had improved in the prior 6 months; 45% responded that service quality surpassed any level previously achieved by the organization and an additional 45% responded that service quality equaled levels achieved prior to conversion. A comparative analysis performed by BenchMark showed that productivity also improved during the same time period, resulting in a projected \$500,000 in cost savings in 2006. As a result of the engagement, the groundwork was laid for continuous process improvement with a better organizational structure, new measures of performance, more streamlined processes, a new training focus and managers who possessed greater industry knowledge and subject matter expertise.