

A client case

Sydbank increases productivity
with simple, powerful recipe



Deloitte.

Sydbank

Bringing agility to Operations

'Despite in depth knowledge of processes, historically, the Operations department has been on the receiving end when it comes to changing the bank and improving customer experience. With a new way of working leveraging the Agile toolbox, automation and a fundamental empowering style we want to build capabilities in the operations department to a co-driver position for transforming Sydbank to challenges of tomorrow'.

Morten Barsballe, Head of Operations, Sydbank

As technology and automation is becoming embedded in how we work and improve processes, several companies are experimenting with using methods like an agile way of working beyond the birthplace and boundaries of IT.. Recently, a pilot project in Sydbank proved so successful that the bank now expand their efforts in spreading agile ways of working to multiple teams.

From running to changing the bank

In order to truly become the engine room of the bank, Sydbank has set out a strategy to build the capabilities within Operations taking an active role in changing the bank

Transforming Operations to a development capability includes building inhouse digital competences with process design, analysis, documentation and RPA automation and BPM. These capabilities equip Operations to drive fast development of current, and future processes from end-to-end without dependency to other units in Sydbank.

New ways of working

Many leaders are looking for new answers to improve organizational performance and often they look for inspiration in agile practices. They see potential for higher productivity and happier colleagues while also being better able to handle a constantly changing external environment.

Agile practices have traditionally been used in IT departments, but increasingly the simple yet powerful ways of organizing daily work are spreading across multiple departments in many organizations.

Sydbank chose to run a pilot with a team within Banking Operations who support branches in handling mortgages, car loans, pensions and other customer-facing and backend products. The results were clear and positive, see exhibit 1.

Together with Sydbank Operations Deloitte set out to test the following hypotheses;

1. Are we able to build a **development skillset and transformative capabilities** in an operations team leveraging agile ways of working?



2. Do agile ways of working work in a non-tech operation setting where hundreds of small tasks come in at a daily pace?
3. Can changing our current ways of working free up time for development while at the same time deliver stable or improved operation?

Over a six-week pilot the three hypotheses were verified, and furthermore Sydbank experienced significant increases in engagement, motivation and empowerment in the team.

Exhibit 1: The Results

5 ambitious targets were set for the first 3 sprints (6 weeks) of the pilot. As illustrated below the results were quite impressive.



Employee engagement and satisfaction - significant increase (+20%)



Daily operations - despite time spend on development (up to 25%) we managed same or better SLA



Automation - 2 robots launched increasing automation and building foundation for additional robots



Continuous improvement - team simplified administrative processes to increase time for development

Running and changing the bank

Sydbank, one of Denmark's largest banks is currently working on transforming their Operations department, which handles banking back-office tasks, with a goal of building an engine room that has the capabilities to improve the bank using the next way of productivity improvements, e.g. cognitive automation and human capabilities as part of an empowered team

Despite an investment in Lean Operations for years, the way of working in Operations has been somewhat static and mechanical, driven by traditional processes and organizational structures. The hierarchical structure and way of working would result in fairly uniform working days for the operations teams; starting with a team leader preparing and handing out individual lists of tasks to the team members, where the number of tasks were based on estimated time for completion and effective work hours. Leaving limited flexibility or leeway for spending more time on complex tasks improving customer experience and little incentive for going the extra mile and completing more tasks than the ones on your personal list.

New Way of Working

Among the established teams a pilot team was chosen and appended by a Product Owner responsible for prioritizing incoming work, a part time scrum master facilitating the work processes and an RPA developer to automate existing labour intense processes. After two days of bootcamp with introduction to the agile methods and principles, the team were ready to start sprinting and learning together with a dedicated Deloitte Scrum master and change agent. During the six first pilot weeks the Scrum master worked together with the team building their own and self-sustainable capabilities, facilitate events and ceremonies needed for the team's prioritization, planning, progressing and monitoring.

Continuous improvement

Changing ways of working is not a walk in the park. Sydbank has worked with the current processes and governance model for years, and with constant inflow of daily tasks there is a limited mental capacity for change with the team. The team felt pressured with both having to tackle new ways of working, development initiatives and the daily operations agenda.

Therefore a recurring retrospective event became a very important both as a ventilation point, but also to identify needed improvements in the new ways of working.

Furthermore we used operational data to create a better balance and room to do actual improvements when planning work, and daily check-in meetings were used to adjust on the fly.

The results? Apart from meeting the ambitious KPIs team members said:

"Taking one task at the time removes pressure and result in less task shifting"

"It's exciting! We are now asked to think, act and take a direction instead of just solving the task that was given"



PILOT TEAM

"I experience a lower error margin. It's probably due to less pressure from the individual list of tasks"

"It has helped all of us, that we now work as a unit with one common backlog"

Key changes to current ways of working were:

- RPA developer in team to enable end-to-end deliveries
- Empower the team to take decisions. The team is now responsible for their own work without an assigned team leader.
- Introduced one common backlog for the team instead of the individual task list
- Introduced a Kanban board with work in process limits and a prioritized backlog, considering both development and operations
- Introduced Scrum way of working, mindset, roles and ceremonies.
- Introduced tools and methods from the agile toolbox
- Stopped measuring performance on productivity and instead focus on throughput and customer satisfaction, measuring lead time for solving tasks and differentiated SLAs.
- Reducing amount of administrative work by digitizing metrics and Kanban

What's next for Sydbank Operations?

'I am very happy and impressed with the results, and while respecting the need for validated learning, We look forward to have more teams transformed to NWOW. Transforming Banking Operations is a long journey, but I certainly believe that empowered, learning and motivated teams will accelerate results and shorten the journey''.

Daniel Plath, EVP Operations, Housing & Finance

What's next for Sydbank Operations?

Sydbank is piloting new ways of working and learning what work well and what need to be reconfigured for their environment. However, it is safe to say that the pilot is a success. Sydbank Operations is planning to continue with the new ways of working rolling out the most successful elements to other parts of Operations. Sydbank has already onboarded internal change resources and are looking for candidates to further support their journey.

New teams are expected to be rolled on to this way of working at the beginning of 2021, and long term Sydbank Operations considers how to further scale approach to truly embed it in the organization.



Mikkel Lex Nissen
Senior Consultant,
Enterprise agility
Deloitte Consulting
minissen@deloitte.dk
+45 3093 4178



Morten Ankjær
Senior Manager,
Enterprise agility
Deloitte Consulting
mankjaer@deloitte.dk
+45 6155 7494



Chris Vialle
Partner, Banking
Deloitte Monitor
chrvalle@deloitte.dk
+45 30934105