



LEAN ICELAND 2015: LEAN TRANSFORMATION IN RBS

- ▶ **Presenter: Ken Andrew**
- ▶ **12th March 2015**

Document Classification: Internal

1	Introductions
2	RBS – Why Lean?
3	Lean Programme approach
4	Observations from Delegates
5	Lean Programme outcomes
6	Q&A



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In 2008 RBS was faced with collapse. A lean business transformation programme was a key lever to recovery

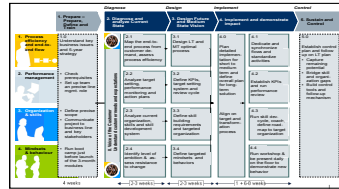


- Large scale Operations Businesses in scope of this transformation (30,000 FTE)
- Operating model applied was a series of 16 week rapid transformation projects.
- Urgent requirement to rapidly stabilise the businesses, increase capacity, reduce costs and improve customer service - Lean was the chosen approach.
- This was the challenge for the *Lean Transformation Programme*

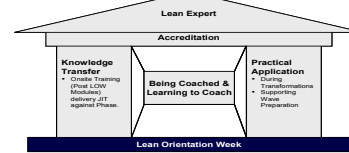
1. Executive engagement programme



2. 5 x Lens; 5 phase 16 week deployment



3. Rapid Lean capability programme



4. Embedded Lean Standards



5. Build Lean capability in the business



6. Deliver 20% capacity



7. Improve customer service



8. Transform 85% of Operations Estate over 3 years



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Programme to engage Senior Leaders at all levels

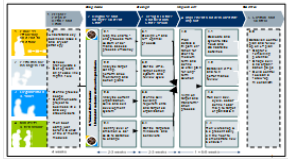


Role	Example of contributions	Time commitment over 16–24 weeks, %
Director	<ul style="list-style-type: none"> Manages senior stakeholder relationships Decision maker Support and embed lean Removal of barriers Participate in key sessions 	10%
Site manager	<ul style="list-style-type: none"> Secures resources Participates in workshops Monitors progress 	25%
CSM	<ul style="list-style-type: none"> Manager of the process being transformed Co-creates future state and implementation plan for their area 	50%
Team managers	<ul style="list-style-type: none"> Manager of day to day process being transformed Co-creates future state and implementation plan for their area 	80%
Snr Lean leader Lean Leader¹	<ul style="list-style-type: none"> Supports Lean Leaders & Change Agents and helps ensure delivery of transformation Coaches lean members 	100%
Lean Change Agent¹	<ul style="list-style-type: none"> Leads transformation with support from Lean leader 	100%
Local change agent	<ul style="list-style-type: none"> Coach Team Leaders Knowledge of business process Moves back to the line after the project and works for continuous improvement 	100%
Other	<ul style="list-style-type: none"> Other support from team members and team managers is expected, e.g. attend workshops, short problem solving sessions etc. 	<10%

- A successful lean transformation is dependent on engaged management at all levels who embed lean and support the transformation
- Typical contributions from senior management would be
 - Member of decisions groups
 - Participate in key sessions, e.g. kick off meeting
 - Support in removing barriers during the lean project
 - Manage senior stakeholder relationships
 - Idea generation and problem solving
- In addition, it is critical that senior management embed and support the lean program

Note: 1) Provided by the Lean program

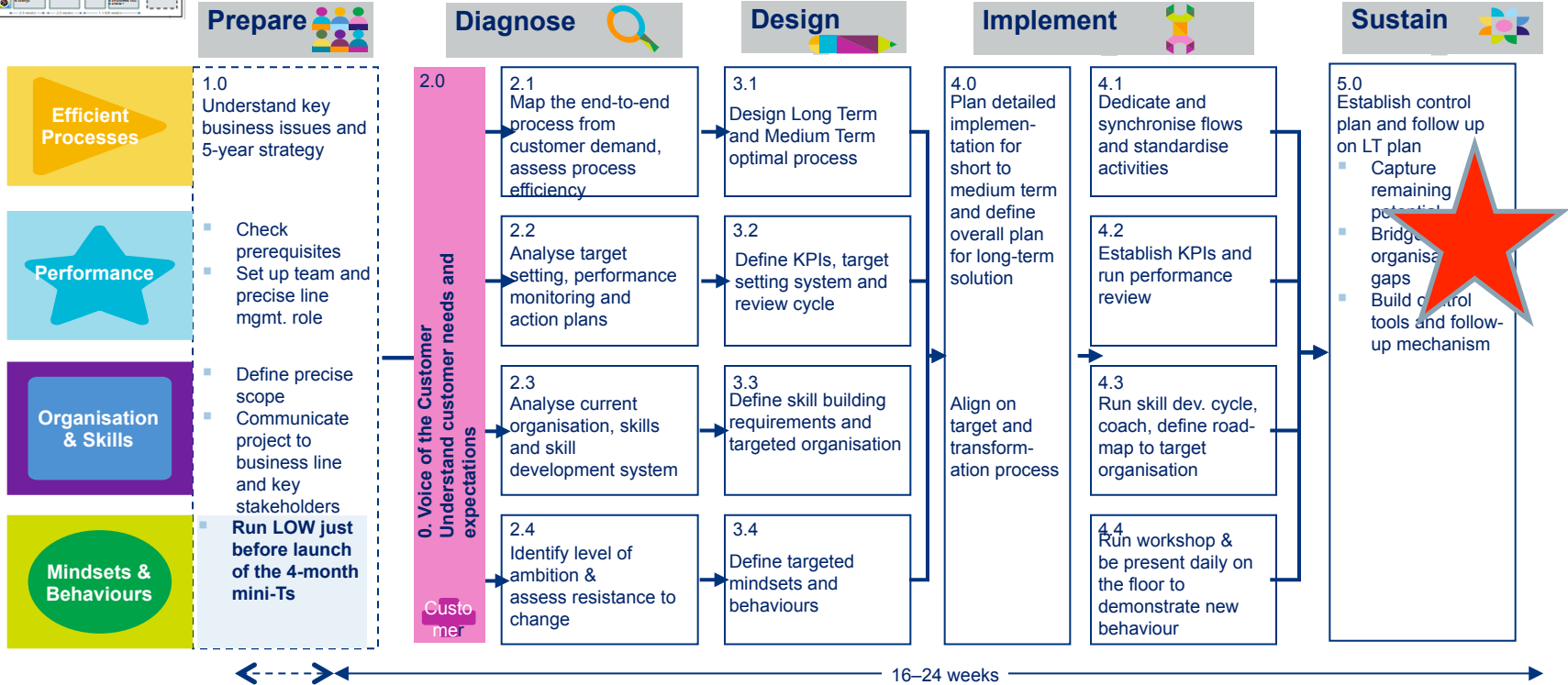
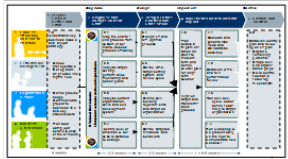
Lean team operating with the “5 Lens” approach



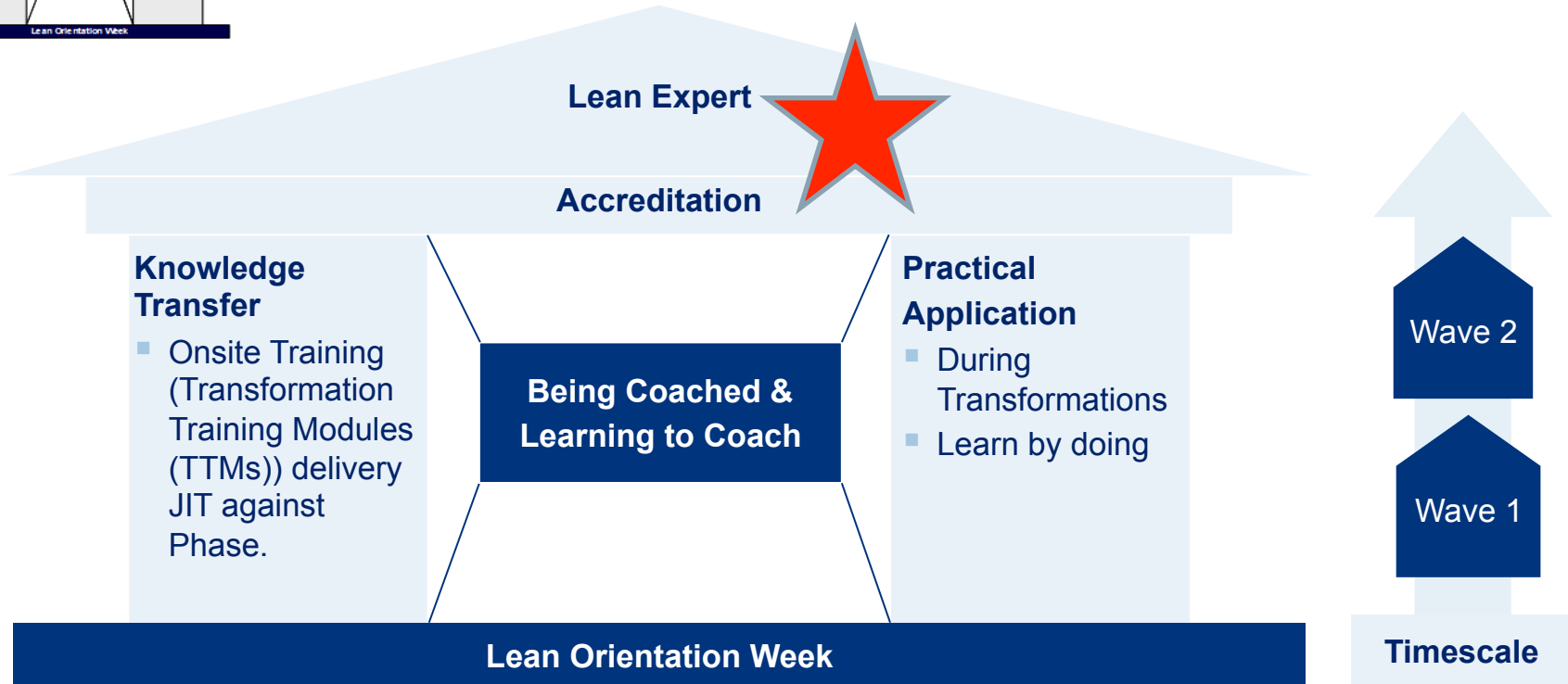
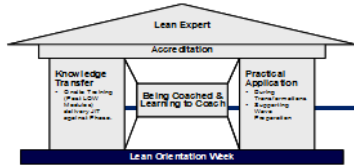
(Later 5 lens brand)

...applied through a series of 16–24 week 5 phase transformation projects

2. 5 x Lens; 5 phase 16 week deployment



Structured lean training programme



The Lean Standards describe how we work in a LEAN way 1/3



Using 5S methodology, Workplace Organisation allows the business to sustainably improve its effectiveness. It focuses on physical layout, information accessibility and a strong emphasis on visual management to drive ownership, waste reduction and flow.

There's a best way to carry out every process. SOPs tell us what that is – Not just what to do, but how to do it. They give us the confidence we need to give the same great service to every customer.



Process confirmation is a key tool used to build capability within a business. Process Confirmation allows leaders and peers to verify that the process and people are delivering target conditions. As a result it provides an opportunity for one on one coaching and the capture of best practices

This should happen at all levels within a business

The Lean Standards describe how we work in a LEAN way 2/3



The Performance Board helps analyse team performance through a balanced set of KPIs. In addition the board acts as a focal point for a team.

It is used to capture customer insight, problems and countermeasures as well as team skills and development needs.

Boards can be traditional whiteboard or electronic (if the team is geographically dispersed).

Performance Meetings are team meetings used to drive problem solving and communication.

They use a structured agenda to review the team's performance, challenges and progress of actions.



The model day/week/month develops an optimum framework for leaders at all levels focussing on value added activities to enhance performance and customer service and to build capability

Capability building is not just about training, it's about coaching to build real experience.

Skills matrices support Flexible Manpower Systems and work in conjunction with SOPs and Process Confirmation



The Lean Standards describe how we work in a LEAN way 3/3



RCPS is an approach we use to identify the root cause of a problem, systemically determine the cause, then implementing permanent solutions. This approach is the foundation of our continuous improvement cycle

Customer and Business Vision articulates the future state of the area defining what the customer needs, wants and requires and what impact will have on the business and staff.

Provides clarity and understanding on the need for change to meet the future needs of the customers.



Key Performance Indicators are customer, regulatory, business centric metrics that measure performance at all levels within or across businesses

The KPIs should form a balanced scorecard that reflects how an area is performing against cost, quality, delivery and the customer in alignment with the strategic business goals

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Views from the floor?

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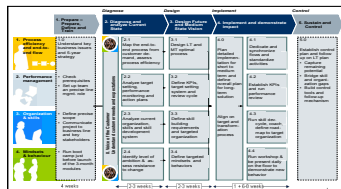


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- Operating model applied was a series of 16 week rapid transformation projects.
- The challenge! Rapidly stabilise the businesses, increase capacity, reduce costs and improve customer service - Lean was the chosen approach.
- This was the challenge for the *Lean Team*

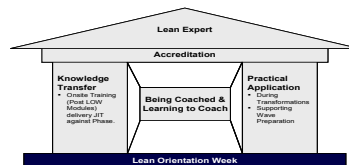
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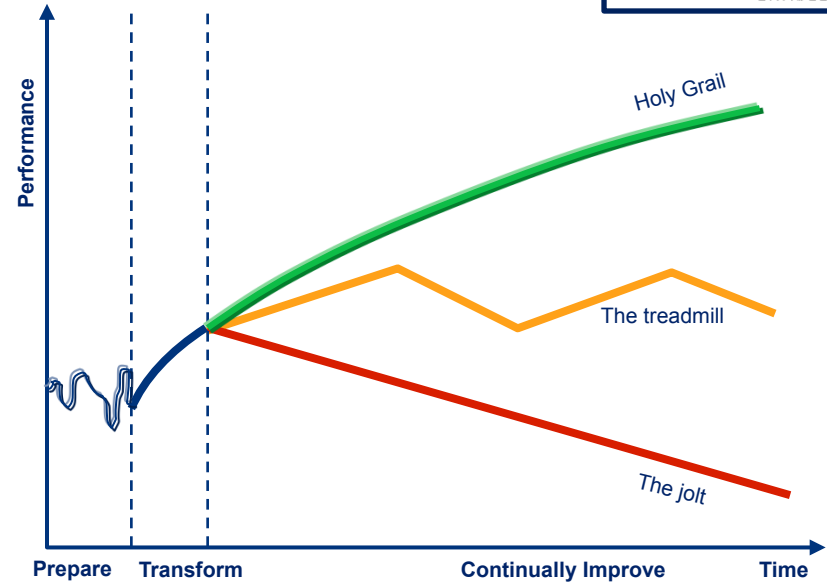
What did we expect?

What did we get?



- We delivered the transformations
 - Streamlined our processes; applied Std Work
 - Deployed PM boards
 - Coached in RCPS skills
 - Embedded Process Confirmation
 - Stabilised and/or improved customer service
 - Delivered >20% capacity
- We built lean capability in the business
 - VSM, OPE, Spans, Variability analysis etc.
- We deployed lean standards

Not for us “ The Treadmill” or “The Jolt”!

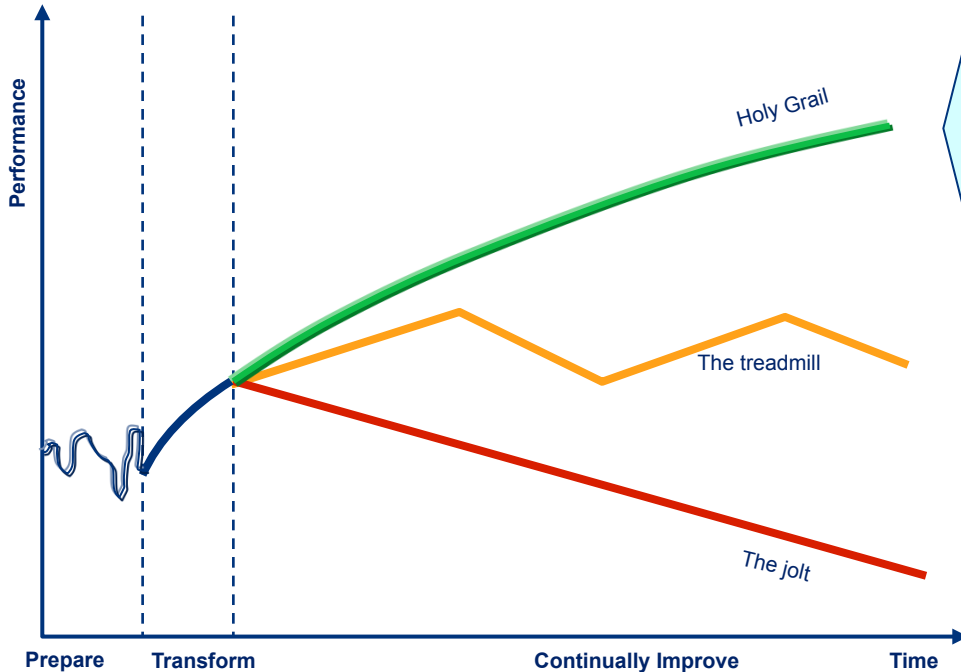


Well in didn't quite work out as we expected.....

The Lean team was very successful in creating capacity and improving customer service, so much so that there was constant pull into other businesses beyond the original 3 years and Operations scope

....But our businesses weren't hitting the “Holy Grail” of self-improvement....

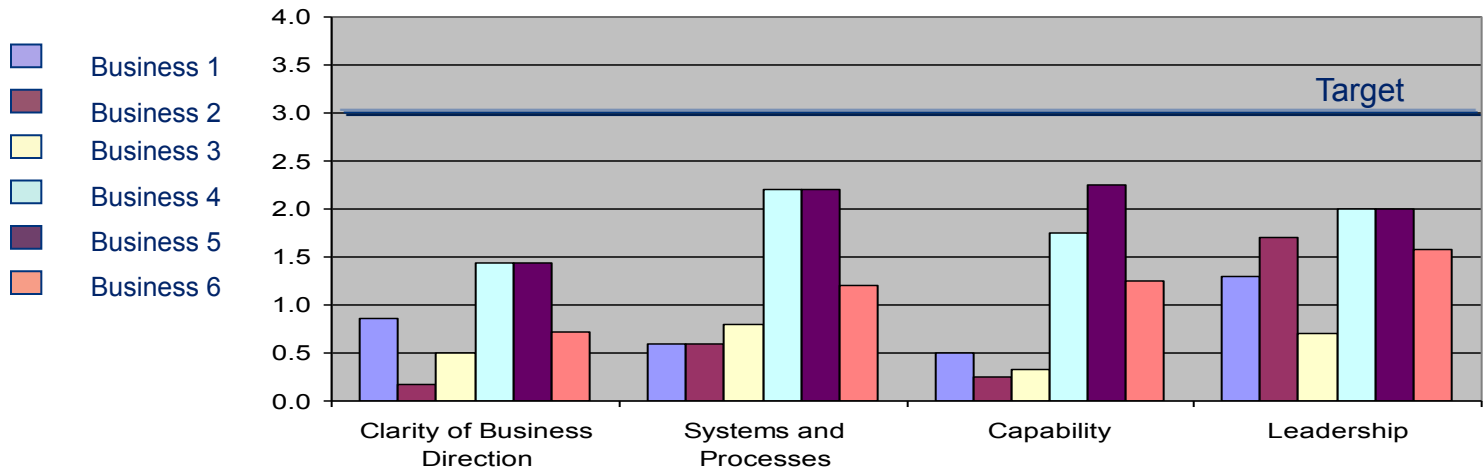
We then sought to understand what are the key features that true self-improving, learning organisations have in their DNA...



Based on the analysis of World Class Organisations, 4 *Critical Success Factors* were identified that should be embedded to help our business become a powerful, agile, self-improving organisation:-

1. Does the business have a clear target state **VISION** and current state articulated through well defined and balanced KPIs, cascaded & aligned to the strategy?
2. Does the business have a set of delivery and improvement processes and **SYSTEMS** that will help manage achieving that state?
3. Do the leaders have the **CAPABILITY** to be able to create and drive KPI improvements through the systems and processes and ***can they coach their teams*** on that, top to bottom?
4. Can the Leaders in the business **MOTIVATE** and create passion throughout the organisation to achieve the vision?

With this analysis, we looked at our results and asked “How likely is this business to become a Self-Improving, learning organisation?”



The results were enlightening. Despite all of our efforts, we hadn't managed to embed the key elements that would make the business become learning orientated, agile and self-improving.

So what do we need to do?

From....

- Designing for a *16 week Project* outcome
- Embedding tools & standards
- Teaching the business about Lean tools
- “One size fits all” approach
- Result that the business shifts from one static state to another (albeit improved) static state
- Helping the business improve



....To

- Designing for a long term *self-improving* outcome for the business that “strives for perfection” with Customer at the centre
- Apply a holistic architecture of principles, behaviours, systems, tools and standards
- Be clear what the problem is to solve and plan the transformation around that
- Embedding the understanding and use of ***Critical Success Factors***
- Shift from teaching to coaching and understanding “why” rather than “how”
- Make the mission to support the business in learning **how to improve**

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Over to you...

Any questions?