

Retail Bank Branch - Staffing Capacity Cost and Customer Service Analysis

Vertical

Manufacturing Pharmaceutical Healthcare Portfolio Logistics **Financial** Government Business

Genre

Case Study

Project Review:

White Paper

Technology Overview

Client

A Major Banking Corporation

Situation

Customer service requirements at the client's typical retail bank branches vary over the course of a day and week for its products and services. For example, mornings might be "teller services heavy" whereas after 2 PM might be "banker services heavy."

A representative branch had the following characteristics

- High variability in transaction types (deposit, withdrawal, ATM, loans, etc.)
- High transaction volume varied by type and time of day
- 8 teller windows, 6 customer service desks, 3 drive thru lanes, and 1 ATM



It appeared that branches were staffed using a "Just-In-Case" approach in order to maintain an acceptable service level. The current staffing method could not adequately address these fluctuations in customer demand other than by over scheduling its employees.

Management saw an opportunity to increase profitability while maintaining or improving service by developing more efficient branch staff assignments. Could labor costs be reduced, without negatively affecting service, by doing a better job of matching skills to both 'what is needed' and 'when it is needed'? Applying this concept of "Skill-to-Demand" staffing would increase profitability and possibly increase service levels.

The challenge was how to generate a staffing schedule according to this new approach? If they could predict which skills and in what quantity were required by time and day, costs and service would improve. With thousands of branches, the savings multiplied across their network of retail locations could be very significant.

Objective

The client's business objective for this initiative was to determine if changes to staffing policies at its retail banking branches could reduce labor cost and increase profitability while simultaneously improving customer satisfaction.

Solution

Data for transactions by service and time of day were available and the skills of the branch personnel were documented. It seemed possible to match needs to staff availability but the analysis was not straight arithmetic. This was a complex problem with potentially severe consequences if customer service levels suffered.

Analyzing this situation required an accurate and comprehensive solution, so the project team chose ProModel's predictive simulation software. The software accurately replicated their real-life environment and provided the means to test viable options at no risk to daily operations.

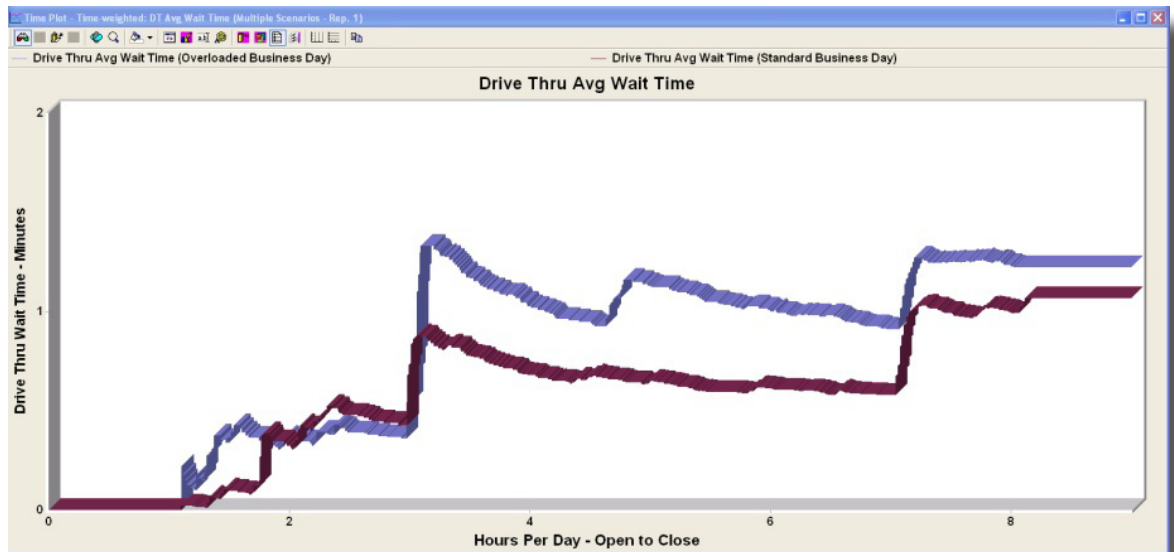


ProModel 3D Simulation of Retail Bank Branch Project

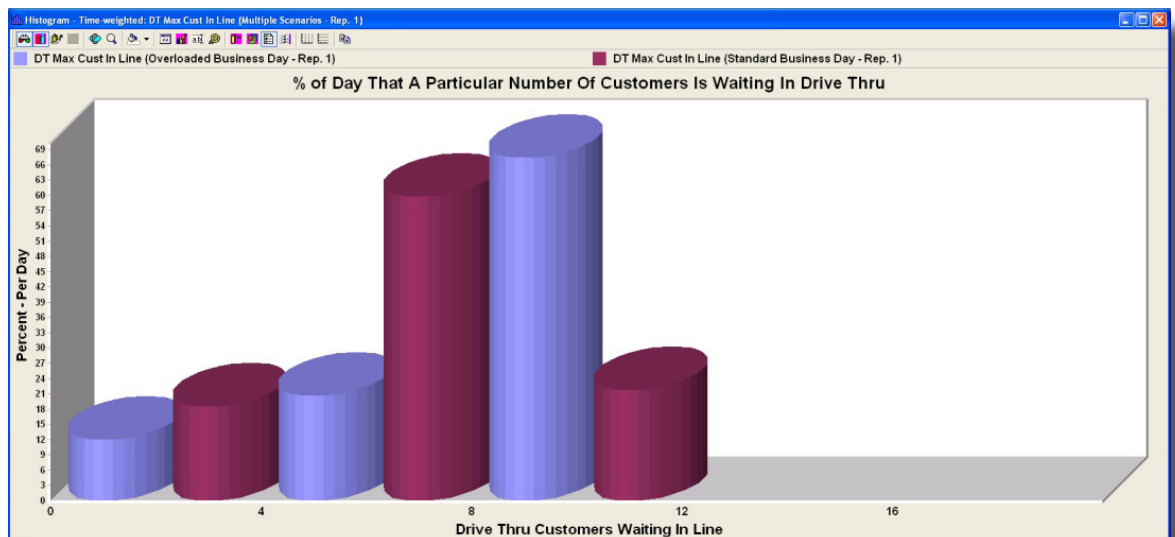
Results

The analysis showed how \$120,000 of savings annually per branch came from matching the specific assignments of staff to “fuzzy” data about when a client would need them. Wait times at walk-up and drive-thru windows also decreased providing an improved customer experience.

The project's key to success was the software's ability to replicate demand by when it occurred during the week. This enabled the branch managers to match staff schedules closely to “Customer Demand” as opposed to the more costly “Just-In-Case” approach.



Scenario Results – Overloaded vs. Standard Business Day – Customer Drive-Thru Wait Time



Scenario Results – Overloaded vs. Standard Business Day – Number of Customers Waiting in Drive-Thru