

STAUFEN.

LEAN PAYS OFF

Lean pays off, or:
What banks can
learn from factories.





Sparkasse Square in Goeppingen, Germany

Firmly rooted in its city and region, the Kreissparkasse (district savings bank) in Goeppingen takes a local approach. For over 40 years, Sparkasse Tower has been an unofficial emblem of this city of roughly 60,000 inhabitants. Throughout the district, Kreissparkasse Goeppingen employs 1,100 people in over 50 branch offices. The savings bank's regional commitment speaks for itself: Since 2008, its foundation "Schloss-Filseck-Stiftung" has been transforming Filseck

Castle into a center for culture, historic preservation and landscape management – the focal point of a growing landscape park. Numerous cultural and athletic events in Goeppingen, located east of Stuttgart, would be unthinkable without the bank's support. In 2016, these true locals, with warm hearts and bright minds, gave their all to continue a 170-year record of success.



The Management Board of Kreissparkasse Goeppingen: Klaus Meissner, Dr. Hariolf Teufel, Joachim Mueller (from left to right)

STARTING POINT

Balance sheet and employees suffer under market pressure

Like the whole industry, Kreissparkasse Goeppingen was under considerable pressure in 2015. The prolonged period of low interest rates had a negative effect on revenues. Regulations (increasing in response to the most recent financial crisis) as well as a high level of product and system complexity, tied up more resources every year. The bank's employees felt the crunch, too: Tremendous overtime loads extended the annual working time. Vacations were carried over into the following year, which meant that considerable reserves impacted the balance sheet. In the best interests of employees and competitiveness, one thing was clear: The bank's efficiency had to improve. So the Goeppingen staff set ambitious goals. For the coming four years, absolute costs were to remain at or below the 2015 level. At the same time, the bank also focused on its capacity for innovation. Until that point, there had been no continuous improvement process carried out by the employees themselves. In the existing suggestion structure, only a very few ideas made it through to implementation.



The interior courtyard of Sparkasse Square in Goeppingen, Germany

PROCESS AND SOLUTION

Industrial clients as inspiration

To achieve their efficiency objectives, the Goeppingen bank took an unconventional approach. Unconventional, at least, for a financial institution. Lean Management is a proven methodology for streamlined, efficient work. It's a widely-used standard in manufacturing – but totally new territory for a savings bank. The idea was born when corporate clients reported huge successes with the Lean Management method. Chairman of the Management Board, Dr. Hariolf Teufel, was fascinated early on: **“Of course, we had heard about lean in connection with manufacturing. In an office environment, this approach may seem unusual, but I don't consider that a deterrent. The demands for streamlined processes are similar, particularly if the product range is wide.”**

So, in 2015, Teufel brought Staufen AG on board – a consultancy company specializing in Lean Management.



A typical SFM meeting, standing in front of the VPM board

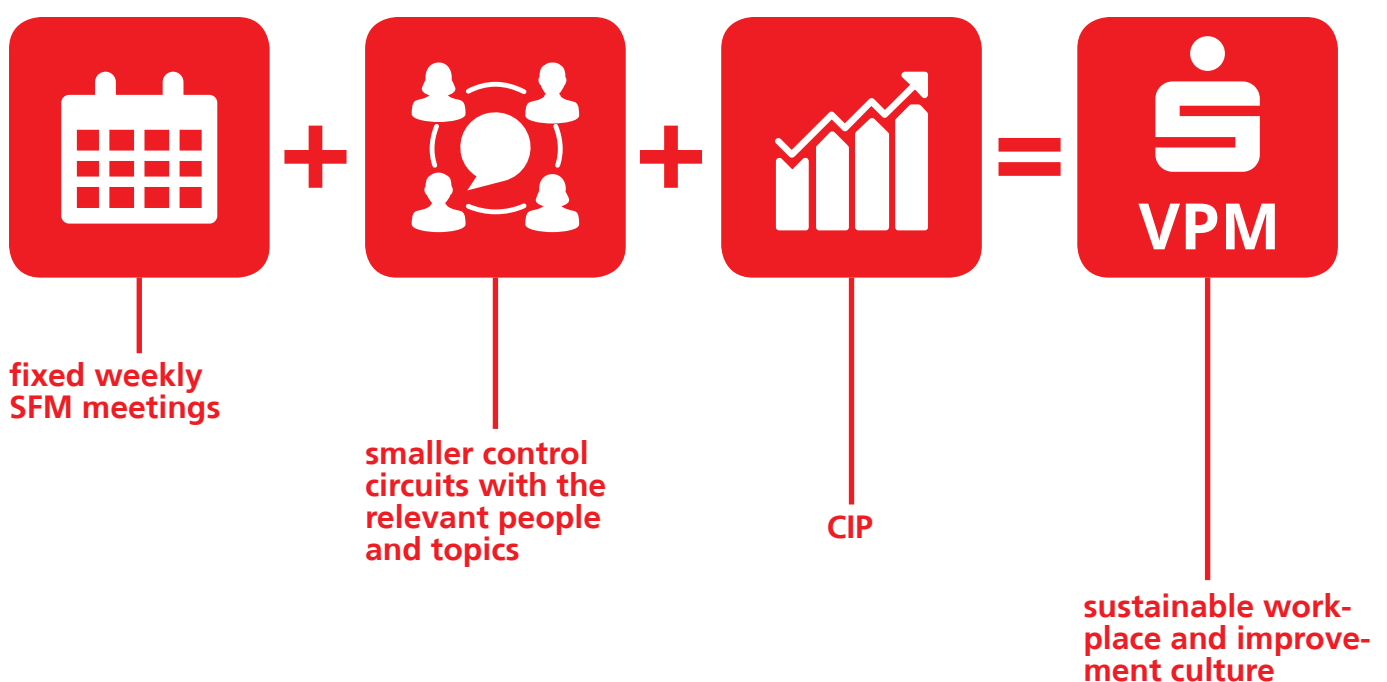
“We now have more time to explore how we can increase the customer benefit. Previously, we had no scope for this.”

*Dr. Hariolf Teufel, Chairman of the Management Board,
Kreissparkasse Goeppingen*

Precise and binding

It soon became clear that increased transparency and improved communication were the prerequisites for positive change. Shop Floor Management is an ideal way to achieve both of these goals. At Kreissparkasse Goeppingen, this value-adding leadership philosophy centered around **Visual Performance Management**, or **VPM** for short. **VPM** has nothing in common with the lists of sales figures usually displayed in financial institutions. Instead, standardized tables enable employees and managers to see how projects are progressing, and view the current workload – at a glance. This way, any necessary adjustments can be rapidly identified and taken care of. Additionally, visualization also creates a higher degree of commitment. Not least, this applies to the continuous improvement process. Employees' positive ideas are incorporated into **VPM**. Ideas which may previously have gotten "buried" are now recorded on standardized cards, remaining traceable for everyone.

SFM meetings were introduced to improve, and synchronize, regular communication. They have replaced the monthly meetings which often ran for hours. Staff now meet weekly and remain standing, which encourages all participants to communicate more precisely and efficiently.



RESULTS

Lean transforms waste into turnover

To date, Shop Floor Management and the transformation into a lean enterprise have been a resounding success for Kreissparkasse Goeppingen. Simply by avoiding overtime hours and vacation backlog, the bank saves several hundred thousand euros in reserves – while boosting employee satisfaction and performance. **In 2016, the cost objective was exceeded: additional savings of 1 million euros were achieved.** Resources freed up by lean methods are invested in customer business – thus adding value. This way, waste becomes turnover.

But first and foremost, the company culture has begun to evolve. The focus is on things that are expedient and purposeful. Problems are addressed at their root. In doing so, managers actively solicit ideas and suggestions for improvement. And progress on each issue is documented for all to see.

For the Goeppingen bank, the lean enterprise journey is far from over. The initially coached managers have now become lean experts themselves, as have various other employees. They lead the way as multipliers and enablers, motivating the other staff members and rigorously integrating everyone into the continuous improvement process. And while many industrial companies still find it difficult to adopt lean methods outside their production facilities, Kreissparkasse Goeppingen demonstrates that streamlined company culture does not depend on machines or assembly lines. **True to the motto: Lean pays off!**





“The efficiency programs we previously implemented often proved to be a ‘flash in the pan’ – they had no sustainable effect. With Lean Management, it’s different.”

Dr. Hariolf Teufel, Chairman of the Management Board, Kreissparkasse Göppingen

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