

Randolph-Brooks FCU Beefs Up Efficiency and Cuts Costs with Teamwork

Source: Credit Union Times – July 22, 2009
By: Lindsey Siegriest

To cut costs and develop more efficient strategies sometimes all it takes is a little teamwork and a couple of “duh” moments. Since implementing a new process-improvement program two years ago, Randolph-Brooks Federal Credit Union in Universal City, Texas has had enough “duh” moments to uncover approximately \$600,000 in annual cost savings. Following up on an advisory board suggestion, Randolph-Brooks took a look at a program called Lean Sigma that is used by manufacturing companies.

“Process improvement is not a new idea around here. We have military roots and have ex-military employees that are always bringing in new ideas they learned in the service. With the economy, it has just become even more of a focus,” said President/CEO Randy Smith. Smith enlisted the help of Lean Sigma expert Guidon Performance Solutions based in Mesa, Ariz. to get the credit union started with the program.

Lean Sigma is a business-improvement methodology that involves looking at business processes from different angles. Guidon Vice President/Co-Founder Larry Mead held what are called Kaizen events to get employees thinking about key principles and looking at processes from the viewpoint of a member.

The Kaizen events were held over a one-week time period where Mead helped a group of employees map out a specific process, look at the length of time it took to complete the task and identify wasted time. The group then came up with ideas for improvement and simulated the new process ideas to see if they were better or worse than the old process. Smith said they used a pricing system to price out the processes before and after the Kaizen event to determine cost savings.

One area that benefited from the Lean Sigma process was Randolph-Brooks’ internal IT department. Mead said IT employees were getting a lot of common requests and questions. The Kaizen event generated ideas on how to eliminate the need for certain requests by creating a new system.

“It’s not exactly rocket science. It was as simple as creating a password reset tool so employees could do that on their own. We also put a science into how requests get routed so everything is not treated the same and simple requests are not caught behind complex requests,” Mead said.

The employees participating in the Kaizen event came up with a system so that simple requests get routed to one group of IT employees and complex requests get routed to another. Smith projected that this new system created \$57,000 a year in cost savings for the credit union. Mead said the credit union could apply the same process to its call center.

Another area that the credit union used a Kaizen event for was its employment recruiting processes. Randolph-Brooks was having difficulty filling positions in a timely manner. The Kaizen event aided in a 60% reduction in the time it took to fill a vacant position. Each Kaizen event uses a team of eight to 10 employees of all different levels at the credit union, which Smith said has helped to get innovative ideas from employees who normally wouldn’t partake in such conversations.

“A lot of credit unions are stuck in their ways. Getting younger staff members to participate helps because they point out stuff for us that is obvious. Sometimes it’s simply just rules that someone put in place a long time ago, and it takes an 18-year-old to question why it’s being done that way. You don’t see the worms under the rocks until you start looking.”

After participating in an event, employees get to present their work to the board of directors. “We have employees fighting to get on a team. It’s increased morale because they are actually getting to design the new processes that they use, and they can go and tell people they’re actually making a difference at work,” Smith said.

One young employee asked to have her picture taken with Smith to show her family that she was working directly with the

president of the credit union.

“The employees who participate in these events see firsthand that they have an impact, and that they can really make things happen. That’s good for them in their careers, and it’s good for us in how we serve all our members.”

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866.986.4414 or 480.986.4414

contact@guidonps.com

www.GuidonPS.com

About Guidon Performance Solutions:

Guidon is a global management consulting organization that helps clients achieve rapid, sustainable improvements in operational performance and growth. Guidon pioneered the combined application of Lean and Six Sigma in the service sector and has a proven track record working with clients in financial services, healthcare, government, retail, technology and other service organizations. With a full-spectrum of capabilities focused on people, process, and technology, Guidon provides strategic direction and hands-on implementation to guide cultural and organizational transformation. Guidon’s approach, aligned with client leadership, generates measurable results including revenue growth, cost reduction, productivity improvement, increased customer satisfaction and innovation.

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