

## CASE STUDY

# Mortgage Processing for Australia's Largest Retail Bank

Benefit of  
**\$44.3**  
million

How we helped Australia's largest retail bank reduce operational cost per loan in mortgage processing while improving customer service and gaining market share – Increased loans funded per FTE by 100% and reduced complaints by 75%.

### Overview

Client is Australia's largest retail bank with core business in retail, business and institutional banking services.

*Challenge:* The bank foresaw an opportunity to capture market share in its mortgage book if it could offer faster loan processing turnaround times in a period of high demand. To do this they needed to increase productivity and quality while simplifying processes.

### Goals

- Gain market share by improving performance in mortgage processing:
  - ◆ Reduce operational cost per loan
  - ◆ Improve quality
  - ◆ Reduce customer complaints
  - ◆ Increase turnaround times
- Implement a performance management tool
- Simplify processes

## The Program

- Program run in four major cities across four overlapping phases, 20 weeks each
- Existing management systems critiqued, and capability identified
- Analysed existing mortgage process and E2E processing time
- Identified 'waste' time experienced by processors
- Established ideal processing times for teams to work towards
- Implemented tracking to capture errors, non-value add activities, skills levels and waste
- Regular, structured training sessions plus continuous one-on-one coaching for managers
- Identified process improvement opportunities, to be implemented within the scope of the project, or larger ones handed over to internal project team

## Results

- Benefit of \$44.3m (versus expected of \$30m)
- ROI of 8:1
- Productivity improvement across areas ranged from 40% to 100%
- Loans funded per FTE per day increased by 100%
- Credit loans funded per FTE per day increased by 60%
- Touch time on mortgage processing reduced from 13.3 hours to 5.3 hours
- Complaints rate dropped by 75%
- Complaints in credit area dropped from approx 200 pm to under 60 pm
- Culture/staff satisfaction survey results increased by 30%

