



Keio Business School

The Heisei Bank, Incorporated

— Improvement of Business Operations —

“Excuse me, I applied for a withdrawal quite a while ago. Is it ready yet?” It was one Friday toward the end of the month, and one of the multiples of the “5th or 10th”, days when many kinds of payments are due. The bank lobby was crowded with customers. There were long lines of waits in front of the ATMs, and each of the customers sitting near the service counter had been waiting for well over fifteen minutes. Mr. Shibata, acting manager of Heisei Bank, Inc.’s Mita Branch, who had just finished his studies at a graduate school of business administration in Japan, looked over the scene, and put together some of the issues he felt needed to be addressed.

“Generally speaking, from the customer’s point of view, things take too long at the bank, and all the transactions are complicated because of the numerous forms that are involved. Although some statistics indicate that bank employees enjoy short annual working hours, their work load is by no means small, taking into consideration the so-called “service” (unpaid) overtime. In fact, even though the service counter closes at 3pm every day, and most bank staff paying visits to customers will return by 4 o’clock, it is not unusual at our branch for all employees to remain in the office until past 8 o’clock. The liberalization of the finance industry is making gradual but steady progress, and we will soon be required to compete against securities firms and other financial institutions. In order to prevail against such competition, strategies, including expanding business and supplying a wider variety of financial products, are essential. However, I cannot help thinking that even more important is the simplification of business operations to enable more man-hours to be spent on customer service. At the same time, while I look for answers in technical books, all I have discovered is that the methods and concepts for analyzing and improving the clerical operational procedures typically seen in banks are by no means well-established.”

The Mita Branch

The Mita Branch of the Heisei Bank occupies the first floor of a tall office building in front of JR’s Tamachi Station. The staff consist of 8 officers including one branch manager, one branch sub-manager, and 6 acting branch managers, and 11 staff including some supervisors, 19 people in total. These 19 are 13 males and 6 females. The organization of the branch is divided into functional units as shown in Appendix 1. The sales section handles teller services at the counter and takes care of the ATMs. The customer service section is in charge of acquiring new deposits and gaining new loans by means of what is called “outside work,” and the financial loan section is in charge of granting loans and managing repayments.

This case study was jointly compiled by Hirokazu Kono, Associate Professor at Keio University Business School, and Akihiro Shibata, graduate of the 15th class of Keio University Graduate School of Business Administration. The case was drawn up as a material for class discussions, and is not meant to show the adeptness or the appropriateness of administrative situations. Proper names and some numerical figures in this case may have been changed. (December 1994)