

EXECUTIVE SUMMARY

The management skills project will be implemented within a leading financial service conglomerate in Sri Lanka. National Development Bank PLC bestowed upon several awards in the recent past is the fourth largest private bank in the country. With its vision to be a driving force for a financially empowered Sri Lanka, National Development Bank PLC (herein after referred to as NDB) through its unique value proposition has served as a catalyst in stimulating economic growth within the island.

Faced by intense competition from rivals, the bank's decision making process relies on its robust management reporting process. However, the timeliness of information is as much as important as the accuracy for making sound and proactive decisions. At present, the bank faces a performance gap in the time taken for delivering management information as against the set expectations by the management. Hence, the main objective of the management skills project is to reduce the time taken to disseminate information by one day (i.e. an improvement of twenty percent from the current average performance gap).

With regard to bridging the performance gap, the problem needs to be understood for which data gathering from various sources needs to be effected. As such, data was collected through interviews, company records of past performance and observation. Due to the time restrictions the project is limited to the management reports concerning net interest income, fee income and margins that are in line with the bank's strategic initiatives for growth.

A SWOT analysis was carried out to identify NDB Bank's noteworthy strengths as well as its acute weaknesses in facing the external environment. As such, the bank's most promising strength is its dynamic workforce whilst most acute weakness has been its low proportion of fee income and margins over the years. Thus, the stressed importance for timely management information, another weakness identified. The significance of the problem was identified through a gap analysis which has been persistent, whereas further analysis was done through the cause and effect diagram.

In gaining deeper insights to the problems, comprehensive literature reviews were carried out that helped identify probable causes and remedies. The platform provided from the theoretical background supported the measures and alternatives available to address the issue at hand. The project objectives were identified for the project components established; Process improvement, Performance monitoring and Competency development. As such, the project which deals with a process improvement was set with an overall objective as well as sub objectives for each component identified. After segregating each component to sub components, the resource allocation was mapped out, benefit-cost analysis carried out and outputs, outcomes listed. Since, the project was carried out through in-house resources, no significant costs were borne by the bank, whereas a net benefit cost estimation was LKR 35 million per month.

The project implementation consisted of a structured approach in eliminating identified non-value adding activities, automation of tasks, establishing SLAs for consistency with regard to process improvement. In terms of performance monitoring, the pillar was enhanced through the introduction and successful roll over of a business intelligence tool to be used for reporting, data validation and analysis. Additionally, a periodic reporting mechanism was initiated for fee income which proved to be a major impact in the bank, sustaining the same levels of performance in trade income despite the challenges faced. The implementation of a central database for profitability, trackers and task scheduling were among the other initiatives carried out in the project.

The project at the latter stages discusses the medium and long term outcomes in detail from the implementation, comparing the actual against the projected outcomes. As such, the project subsequent to the successful roll-out and completion recorded an achievement ratio of 97% which is a reduction from 10 days to 9 1/4 days. The net benefit accrued to the organization stands at LKR 66 million per month which further illustrates the effectiveness of the project with resource optimization and minimal cost incurred. With the reduction in time for reporting, the benefits are expected to accrue into the future by way of fee income generation.