EXECUTIVE SUMMARY

It is less expensive to prevent defective work from entering the process early on than to manufacture them and then rework to fix the faults. Companies pay their employees to produce flaws, and they spend a lot of money and energy trying to find them before they reach the market and cause reputational harm. As already said, the ideal course of action is to address the underlying problems that lead to faults and stop them from occurring in the first place. This kind of action will improve the benefit-cost analysis, particularly in the face of Sri Lanka's existing unfavorable macroenvironmental factor regime. Implementing solutions derived from referencing accepted theoretical practices globally in related industries would result in a decrease in rework. However, the inherited factors of own origin that would prevent implementing solutions should be addressed upfront.

The key problem identified in this study was the increasing DML (Dream Maker Personal Loan) loan application return rate at NDB Bank PLC, which caused delays and dissatisfaction among customers. On average, 35% of the loan applications submitted were being returned back to the source for rectification. This represented a significant gap from the accepted standard return application rate of 10% set by the Bank. The problem was critical because personal loans were highly competitive, and customers had numerous alternatives to choose from. The bank's proposition of providing loan approval within 3 hours was being hampered by the increasing re-work efforts. In addition, the interest rate had become the main selling point for personal loans, and margins for banks were shrinking. The analysis conducted on the problem revealed three main clusters of root causes: Sales Management, Training & Development, and Quality Management. Therefore, curtailing costs and improving efficiency at every stage of the loan process was crucial for the bank's success in the market

The theoretical background to the problem discussed in this study focused on the three main factors and nine techniques. 18 ABDC ranked journals were referred by the author including 4 A star journals. Several other theoretical references were made to establish a solid foundation to the problem solutions developed. The implementation of processes to detect defects throughout the work process was found to be not the best practice, and instead, correcting defects at the inception was recommended. Sales management played a crucial role in achieving organizational goals, and fostering a sales culture was deemed important in the financial services sector. The use of technology had transformed sales and

selling processes, while sales incentives were advised to be carefully designed to align with long-term goals. Training and development were found to be essential for employees' learning and growth, and the design of training programs significantly influenced their effectiveness. Improving the retention of critical talent, such as the sales force, was suggested through certification programs and coaching/mentoring initiatives. There were nine techniques generated through the study framework, including SOP, Gemba Kaizen and Standardization of processors.

In order to solve the recognized gaps which is the main intention of this study the project then expanded on the goals to be attained for the identified three components. By implementing the project solutions in to practice the author aimed at reducing 71% of the loan applications returned at current to a standard 10% from the loan applications submitted. This was a reduction of 1,815 loan applications leading into Rs. 20.05 million in cost saving of rework. The author completely created the anticipated remedies for each component. For the readers benefit, the author has made a comprehensive assessment of the suggested current system relating to the three components based on the study framework. According to the characteristics of the project components the necessary resources were detailed. Then the tangible and intangible benefits of the solutions and the associated costs were detailed to ascertain the cost benefit ratio of the project. All proposed actions have been included with appendices at the end of the project report. The project's outcome and outputs have been established accordingly.

The project aimed to address the high loan application return rate of DML loans, which stood at 35%. Recommendations were made to implement solutions such as standardizing processes, improving sales management techniques, investing in training programs, and ensuring collaboration among stakeholders. By executing these recommendations, the bank could achieve its objective of reducing the loan application return rate to 10%, resulting in substantial cost savings and enhanced customer satisfaction. It is crucial for the project committee to monitor the implementation progress and review the results periodically to ensure timely execution and successful outcomes. Accurate loan application return data, continuous investment in training, and effective collaboration among stakeholders were highlighted as critical factors for achieving the desired goals.