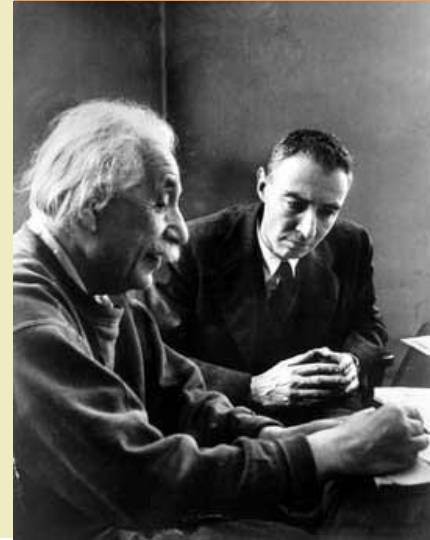


# Accuracy of the payment process

Light House Case study



## Industry Type >>>

Banking — Payments

## The Client >>>

MN\_BK\_AB

## Improvement Tool >>>

Lean Six Sigma



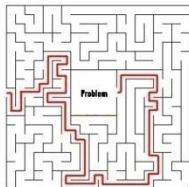
## Scenario >>>

MN\_BK\_AB is a multi-national bank with its branches spread all over the world. The payment process for the Bank starts with receipt of payment schedule along with invoices from its branches. The payment is processed at the main branch, and then the cheques/ demand drafts are dispatched to the respective branches. Any incorrect payment processed leads to customer dissatisfaction and increases the cost per transaction and financial exposure. It also impacts the profitability and growth of the Bank that relates to customers.

## Business Challenge >>>

The data reported indicated that 1% of the payment volumes were inaccurate leading to increased cost per transaction (low productivity) and financial exposure. Majority of the defects were found in name, TDS & amount entered on the cheque/ demand draft. This also led to a rework time of 60-120 mins/day. It was targeted to reduce inaccuracy levels below 0.1% in a period of 5 months.





## **The Solution** >>>

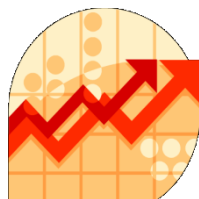
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Defects in name and TDS were resolved by automation to prevent data entry error. Automation has helped cut down many non-value added activities and improve the accuracy of the payment made to the branches. The completeness of the payment memos was assured by introduction of checklist for the branch.

## **Benefits** >>>

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The number of payments processed has increased from 200 to 350 per day. The rework time has been reduced from 60-120 mins per day to 0-15 mins per day. Checklist has reduced the number of rejected memos. The intangible benefits include customer good will and loyalty and a robust process which has improved the reliability.



## **For further information, please contact** >>>

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