

National Westminster bank essay

[Finance](#), [Banks](#)



The purpose of this report is to analyse the case “ National Westminster Bank” (David Woodgate and Nigel Slack, 1992), in order to identify any existing and potential problems, then after careful consideration recommend possible courses of action to rectify them.

During the review of the organisation described in the case, the key issues will be identified and then related to relevant theory. Analysis will then be made of all relevant factors and recommendations will be made after consideration of all factors. The case study to be analysed focuses on the St James’s Square branch of the National Westminster Bank in London’s West End. The case gives a clear and concise representation of the bank’s structure giving detailed descriptions of the all the employees roles and functions and an organisation chart. The focus is then applied to the Records Section and account opening procedure, which is where the problems are found and complaints have been registered.

The results of a survey are summarised in the case to show the apparent level of customer dissatisfaction with the account opening procedure, the importance of such factors are then highlighted with a brief description of the level of competition within the banking industry. The views of are also considered and suggest areas where current systems may be failing the organisation. The location of the bank in St James’s square is both a blessing and a burden to the organisation. The sophisticated clientele resulted in the bank being the most profitable in its region, yet they also expected an extremely high level of customer service. This high level of expectation from the customers resulted in any lapses in service being highly scrutinised.

All elements of the service system must be consistent with the overall operational aim of the organisation, therefore it is important that when considering possible processes this is taken into consideration. It would not be practical for the bank to employ a self-service process, for example, because this is not conducive with the process of opening an account, where individual needs must be considered to arrive at a suitable product. The area in which new processes must be considered must therefore be the micro operations of the Records Section. It may be practical for a cell layout to be implemented in order to resolve some of the customer service issues detailed above. This would involve the formation of standardised service shops such as the Records Section already in place, they would periodically deal with the process of opening new accounts when other tasks have been completed.

Advantages of such a system would be that it is possible complete their work in a designated time-frame eradicating much of the pressure which had led to low morale and mistakes, it would also enable the staff to speed up their operations thus decreasing customer waiting times. It would also avoid the clash of busy periods between the cashiers and Records Section. However such an implementation could cause more customer dissatisfaction because an appointment system would be required and it would not be at their convenience. The concept of a production line approach may also be a possibility, here the completion of the ' formalities' required in opening a bank account could be carried out by different members of staff. Each worker would have a predefined task, which they would carry out repeatedly for each customer.

This method could greatly speed up the operation because the workload would be less erratic and varied. However this would lead to reduced flexibility within the organisation's work force and could cause increased disillusionment because of the monotonous and repetitive nature of the work. Customers may also find this system unfriendly. The Cell layout would not require many changes to the organisational structure because the existing Records Section is the ideal environment to implement such a system.

There would be no need for the movement of staff between sections. The major restructuring involved would be the need for an appointment system for account opening or possibly just for the customers with more complex needs for their accounts. Another practical system would be to initiate an 'open surgery' system whereby customers could only open accounts during predefined times of the day or week. The production line approach would require slightly more reshuffling of the organisational structure because the staff within the Records Section would only be carrying out one particular task each. The staff would now their own role in the setting up of an account and could therefore carry it out much more efficiently.

As stated above, in an industry with many competitors offering very similar products, any competitive advantage is greatly beneficial. Therefore the problems with customer service may ultimately result in a reduction of market share. A competitive advantage can be provided by efficient performance at the five competitive objectives: Quality, Speed, Dependability, Flexibility and Cost. The branch is currently under performing

in the following; When the five competitive objectives are improved upon they each have an advantageous effect on each factor in turn and adversely, failure in any one of the objectives will be detrimental on the others. For example; if the Records Section is unable to get personal details right (quality) then procedures will not be carried out on time (dependability) and the speed of operations will be affected. The reduction of operational speed will result in less flexibility in the service which the bank is able to offer, as a result of time constraints Records Section staff will be required to work overtime to the detriment of productivity and ultimately cost.

Without a clear operational process then the problems listed above will remain to be issues. The process of opening accounts, which is vitally important as it is the customer's first impression of the organisation, does not have a clear and concise transformation process and therefore the output of the Records Section will be fundamentally flawed.