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AT WELLS FARGO BANK WE HAVE FOUND THAT COUPLING OUR KNOWLEDGE OF INDUSTRIAL ENGINEERING WITH ORGANIZATIONAL DEVELOPMENT HAS ENABLED US AND OUR CLIENTS TO ACHIEVE LONG-TERM, BOTTOM-LINE RESULTS.

# THE LINK TO BOTTOM-LINE RESULTS

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Often, the impression of a department's mission or function is drawn from its title. The narrow impression created by a department's title may hamper its effectiveness. For example, many would expect a training department's mission to be solely training and industrial engineering to provide only standards and methods improvement. But what if their real charter is to improve organizational effectiveness? If training programs and engineering standards are only partial solutions to organizational problems, who has the responsibility to take a broader view of organizational improvement?

The Systems Industrial Engineering Department at Wells Fargo Bank feels that in order to successfully practice industrial engineering, they must view their work as organizational development. It's planned, goal-oriented and organization-wide. They are as frequently involved with changing attitudes and values, as altering work

systems.

The SIE group can design very efficient work systems. They can provide a vast array of tools and technologies that can impact the work place very favorably, but the SIE tools and concepts have to be clearly linked to the user area's goals and understanding. It isn't enough to merely:

- enter a department with an assignment
- gather and analyze data
- draft a recommendation and leave.

The line managers have to not only want the changes but must participate in their development, be able to successfully implement them, and then be able to live with the changes. The components of Organizational Development, applied by the SIE group, provide the means to successfully enter the user's arena, participate jointly to achieve project objectives, and exit knowing that the new system will live on without them.

The vehicle that drives this organizational development approach to systems analysis is training. Line managers are ultimately re-

sponsible for productivity improvement and the SIE group doesn't want to foster an ongoing dependency by doing the entire project for the user. The SIE project objectives and the user's objectives must be the same. The SIE group uses the problem they are participating in solving as an opportunity to teach the management techniques that will not only solve the problem but enable the line manager to control the area in the future.

Industrial engineers frequently have the image of the "efficiency experts" whose studies will result in everyone working harder. That attitude won't be changed by objecting to it. The user must use the industrial engineering tools and techniques and experience their benefits before their attitudes will be altered. Creating a need and then training early in the project has been important not only to teach the skills necessary to achieve project objectives but it also provides a means for changing attitudes and values enabling analyst and user to participate jointly in achieving success.

To make believers out of the users, the SIE group taught production management techniques with a training package from Impact Systems, Inc., a training company in Tulsa, Okla. that simulates a department similar to the one in which they will be working. The training is oriented toward using industrial engineering tools and techniques, not just presenting philosophy.

This enables the managers and supervisors to see for themselves what happens when they apply industrial engineering techniques. When they experience "working smarter" instead of harder they want to apply the same concepts in their own work areas to make themselves look better as managers.

It is at this point that SIE can build a project team composed of line managers and supervisors to investigate the productivity of their area. An SIE staff member will participate as the project

leader, industrial engineering expert and liaison to user management.

The focus of the project may be on work flow, effectiveness of communication, reporting relationships, or procedures. The mission will be to improve productivity from a quality and quantity standpoint.

Work in credit card customer services at Wells Fargo Bank illustrates both the results of this type of approach to productivity improvement as well as the importance of analysts dealing with attitudes and values. In this case the customer services title greatly influenced basic attitudes about its mission.

If you managed customer services wouldn't you see your charter as the provider of friendly problem solvers to meet the customer's needs? That charter is certainly implied in the title.

In reality, basic management attitudes had to change from a customer orientation to a production orientation in order to deliver prompt, accurate and complete customer service.

#### Customer Services Project Synopsis

In early 1979, credit card customer services was struggling under the processing constraints imposed by a large backlog of customer inquiries and disputes. In response, customer services management developed a joint project with Systems Industrial Engineering to address the area's workflow. The project succeeded in ensuring new processing efficiency and management control.

It is July 1979. A letter disputing a charge card transaction arrives in the mailroom at Wells Fargo Bank. The letter is from a Wells Fargo credit card holder who has been billed twice for the same transaction.

Sorting clerks in the 15th floor mailroom check the address on the envelope and send the item to credit card customer services on the 16th floor. The customer services mail clerk checks the contents of the envelope, identifies it as belonging to Mastercharge and

forwards it to the fine sorting clerks. A fine sort clerk categorizes the item by problem type, sets up a file, and files the item in backlog.

Processing letters on a first come, first serve basis, the customer's letter will wait many days for correspondence ahead of it in the backlog to be processed before a correspondence representative will read the letter and begin processing. In the interim, the customer will send two more letters and telephone customer service concerning the problem.

It is now December 1979, 22 weeks later; the same customer inquires about another credit card charge. This time, because of fewer letters waiting in the backlog, the letter ages minimally before a correspondence representative begins processing the inquiry. Due to this short waiting period, there is no follow-up letter or telephone call from the customer which would have resulted in multiple handling.

Part of the change is dramatically evident. It is a 53 percent department-wide reduction in inventory. In order to achieve the inventory reduction, employee productivity has jumped an average of 82 percent. But a less obvious change is rooted in the department's basic approach to services management. The change of approach is based on the management teams learning and instituting production management tools and techniques.

Control was the focal point of the change in approach, the kind of control ensured by production management disciplines. Customer service is maintaining counts of incoming mail, completed work and the inventory on hand in each of the functional areas and is controlling those variables.

The inventory reduction itself was based on a fundamental conceptual difference, i.e., that customer services was really a production, not a clerical operation. From this starting point, the techniques of production management were adapted to the special realities of customer services pro-

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ducts and to the kind of workflow producing them. Improved service to the customer is now accomplished through quick, efficient and error-free processing of correspondence.

Emphasis was shifted from isolated backlogs to the department-wide inventory problem, thus creating a sense of teamwork in the staff. From the very beginning management had been careful to communicate to the work force exactly what was at stake. Employees were told that they would participate in changing their procedures, the tools of their trade, and eventually the floorplan and workstations. Management presented the change as an opportunity in growth and advancement for those who applied themselves. Another aspect of the new staff responsibility was an accountability for their individual performance.

More important than the scale of the changes in customer services was the direction, e.g., a controlled environment was created in which services and customer needs

are efficiently delivered by a highly motivated professional work force.

The project approach in customer services started with training the user in production management techniques and the concepts of inventory reduction and control and led to:

- Situation analysis conducted jointly by customer services and SIE;
- Jointly established production goals;
- Installation of production monitoring reports and graphic displays;
- Establishment of an acceptable inventory level and productivity goals;
- Implementation of methods improvements and work simplification; and
- Supervisor monitored and reinforced productivity levels.

#### We Achieved Our Goal

The results included a 53 percent reduction in inventory, 82 percent productivity improvement

and managers with the skills to continue improvements.

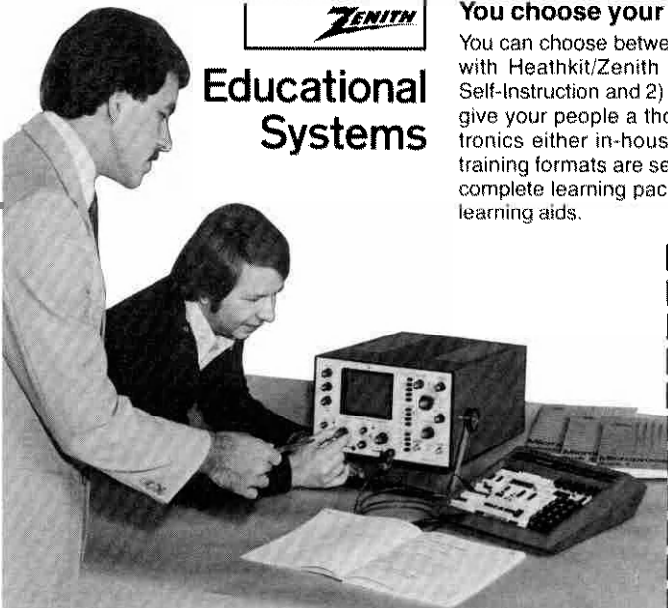
Warren Bennis has defined organizational development as "A response to change, a complex educational strategy intended to change the beliefs, attitudes, values and structure of organizations so that they can better adapt to new technologies, markets, and challenges, and the dizzying rate of change itself." The department title Systems Industrial Engineering may imply that its members' expertise rests solely in engineering but at Wells Fargo Bank we have found that coupling our knowledge of industrial engineering with organizational development has enabled us and our clients to achieve long-term, bottom-line results.

For two years Michael O'Keefe has been an internal consultant with the Systems Industrial Engineering Group at Wells Fargo Bank, San Francisco, CA. He has seven years of experience in methods analysis and consultant work and specializes in complex workflow systems to make them more productive.

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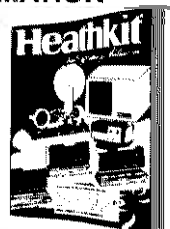
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