



Commercial Bank

About Capital Financial Holdings S.A.

The group controlled by Capital Financial Holdings Luxembourg SA (CFH) comprises Commercial Bank–Cameroon (CBC), Commercial Bank–Chad (CBT) and Commercial Bank–Centrafrique (CBCA), three subsidiaries of the Commercial Bank Group. They were set up or taken over in 1997, 1999 and 2001 respectively to underpin the economic development of Central Africa by providing high-quality banking and financial services tailored towards the needs and expectations of both business and residential customers.

The three subsidiaries currently have 15 branches in the main economic centers: nine for CBC, three for CBT and three for CBCA.

Capital Financial Holdings S.A. (CFH), the premier financial holding company in Central Africa, creates a Managing Direction with support from MEGA.

The Commercial Bank Group, which has existed for approximately 10 years, includes three banking subsidiaries: Commercial Bank Cameroon (CBC), Commercial Bank Centrafrique (CBCA) and Commercial Bank Chad (CBT). CFH was founded in 2005 as the controlling entity of these banks, and delivers technical support services to these three as well as to the Commercial Bank Sao Tome e Principe (COBSTP). With the help of MEGA consultants, CFH began a new initiative in 2009 to radically streamline its organization and optimize operational performance.

Background

CFH, which is headquartered in Luxembourg, has a Cameroon subsidiary – CFH Cameroon – that has proven to be a valuable service center. By leveraging a centralized organization, it has been key in improving and strengthening the group's business units and other financial holdings. CFH Cameroon called upon MEGA to help establish their Managing Direction. Three strategic objectives were defined for phase one: streamline banking operations starting with new customer accounts, deliver training to the group's 620 employees, and help implement e-payment solutions for customers, such as personal credit cards and Visa cards. A major project was launched to reengineer the group's business processes with a focus on quality, efficiency and cost control.



“A major project was launched to reengineer the group’s business processes with a focus on quality, efficiency and cost control.”


Challenges

CFH operates in a high-pressure environment fuelled by legislative constraints and influenced by a large number of mergers and acquisitions. It constantly needs to standardize and raise the performance bar of its operating procedures in order to maintain its competitive advantage. Offering superior customer service and continual organizational enhancements are essential in the highly competitive and increasingly regulated banking sector. This is a key challenge in a promising market such as Cameroon that is characterized by a low number of people with a bank account (approximately 5%) due to competition from online schemes and the emergence of Pan-African competition, especially from Nigeria and Morocco.

Implementation

MEGA’s consultants adopted an approach featuring three primary phases. Phase one – systems analysis – involved identifying the group’s core processes and determining which ones required priority optimization. This phase was broken down into 3 to 4 workshops with senior management. No more than two weeks were needed to complete it.

As part of phase two the consultants had to describe how each business process selected during phase one functioned, and then analyze performance in order to identify areas for improvement. The keywords for phase two were “reengineer” and “streamline”. They aimed to remove all superfluous processes to achieve superior service performance. MEGA began with its process modeling approach and Lean methodology, which is based on employee-led critical analysis of processes and incidents. To achieve this, workshops were staged by management and operational staff in which they factored in processes observations made by some of the bank’s branches. “The streamlining approach shifted the process focus to user requirements. Users are quick to support the idea because they can play a role in shaping their department, and producing quick and substantial results,” explains the group’s Managing Director in charge of the Bank Process Reengineering Project at CFH Cameroun. The areas for improvement were then analyzed and prioritized in order to provide mid- and long-term



The streamlining approach shifted the process focus to user requirements.”

quick-win action plans. On average five weeks per project were required to complete this phase.

Finally, the action plans were deployed at a pilot site to verify performance before being rolled out across the bank's branches. This phase involved monitoring indicators and the costs of process risks so as to establish remediation plans and expenditures.

Contributions and benefits

Problem areas and potential improvements were identified with the MEGA consultants. To tackle the main 70 problem areas, seven action plans featuring over 70 recommendations were defined and launched. The next objective is to automate and streamline activities and exchanges between employees and departments. To date, CFH's Managing Direction has identified, with the support of MEGA's consultants, areas for improvement that can slash processing times by 35 to 45%, depending on product line and customer segment. Furthermore, in a bid to establish a policy for continual progress, CFH is now required to describe its procedures and business processes for dissemination to the workforce, thereby ensuring compliance and measurement of its effectiveness.

What MEGA consulting contributed:

- Standardized the approach for business process identification.
- Elaborated an approach for identifying problem areas and structured improvement plans based on best practices and market tools, such as Lean 6 Sigma.
- Factored in the customer's priorities at each step to ensure a high project return on investment.
- Ensured transfer of skills to guarantee the customer's autonomy so the approach may be used with other, new projects.

