



## **From Bankers Daughter to Grown-Up Top Intermediary**

**Gaining independency from Van Lanschot Bankiers at the end of December 2007, Van Lanschot Chabot B.V. saw the perfect opportunity to develop from bankers daughter to grown-up top intermediary. This ambition demanded a significant change in business management. Director Richard Schoones took the challenge. He chose VisionWaves' Strategic Value Chain Management as the right approach.**

“See that large screen over there?” says Richard Schoones, director of Van Lanschot Chabot B.V., pointing at a large flat screen in his office. “Nice of course, but the plan is that I’ll be watching a dashboard, lighting up in green. That’s when we’ve done a good job organizing.”

Schoones refers to the digital dashboard of Van Lanschot Chabot, which visualizes the company’s value chain. Soon it will be up-to-date, thanks to the automatic input of real-time information from the underlying source systems. If the dashboard lights up completely green, without any red indicators, as Schoones suggests, the company is on perfect track. And which director wishes otherwise?

Wishful thinking or not, the dashboard is *the* solution Schoones had been looking for. During his career in both IT and insurance, one crucial question kept haunting him: how can you bring all the information of a company together in such a structured way that you can manage your organization accordingly? Without discussion about the source and content of the information.

Schoones: “It bothered me that I always lacked a tool with which I thought: *now* I can bring everything together.” An acquaintance drew his attention to VisionWaves. “When they explained the Strategic Value Chain management, I knew this was what I had been looking for.”

### **Strategy Leak**

Schoones was hired by Van Lanschot Insurances in 2005 as an advisor to improve the process efficiency. “The rise of ‘digital postboxes and workflow’ allowed a smoother distribution of the incoming mail. Paperwork was eliminated. This meant an important optimization of the workflow.”

From adviser, Schoones worked himself up to director, responsible for the further optimization of the company’s processes. The implementation of a new distribution model for customer service showed him what the company was missing: “The organizational model

did not tie in with the architecture, which created mismatches. There was no insight into the flow of information. A relation between result and action was nowhere to be found.”

Moreover, the focus of the business strategy was blurred. There was no thought about the yield of the customer. Rather, the focus was on earnings, on ‘planned provision’. “At one point, an account manager reported enthusiastically that he had attracted a new customer with a commission of 30.000 euro. When I asked him what our actual profit was, he couldn’t come up with a clear answer.”

Lack of performance-focus, no insight in information flow, too few cost reductions. It was clear; the company suffered from a so-called strategy leak. In other words: the business strategy and the operational processes were not properly aligned, which prevented the company from reaching its goals.

## **Strategic Value Chain Management**

The methodology that fitted Schoones views, is VisionWaves’ Strategic Value Chain Management. This management method outshines others by visualizing the coherence between business strategy, processes and performance. The basic concept of this vision is the notion that organizations, including their suppliers, are best viewed from a comprehensive and holistic perspective: as a chain of links.

The organization is visualized as a Value Chain composed of elements like suppliers, processes, products, services, channels, clients, results and performance. The graphical representation of the Value Chain creates an overview of the entire organization.

Not only the strategic Value Chain is defined, but also the so-called Key Performance Indicators (KPI’s): the most important variables on which management is based. Subsequently, the business strategy is translated to tactic *and* operational level. This way it is not just the top managers that are actively managing the organization, but each employee is held responsible for his or her own subdivision.

The core of the methodology is the Plan-Do-Check-Act-cycle (PDCA): all steps are made explicit and control mechanisms are placed to allow the management to detect and handle possible problems faster.

*“If the dashboard lights up green, we’re doing a good job”*

## **Digital Dashboard**

The supporting software is a modular system that visualizes the value chain. All data of the organization are connected to the value chain through automatic data-extraction. This makes

the results directly visible on the digital dashboard at any time. The dashboard shows which subdivisions are performing well in the overall chain, which divisions create bottlenecks, and what their effects are on other links and the overall performance. If a link is 'green', it's going well, if it's 'red', there's reason to worry.

Schoones: "For me, the dashboard was the summary of what had been inside my head for a long time. The coherence between divisions, and the coherence between the information flows between these divisions. It turns out eventually, that the manager of an organization is permanently occupied with this value chain, even if it's not visualized. The digital dashboard allows all the MT-members and the board to see the value chain, so that we're all looking at the same image."

In December 2007, Schoones sat down with VisionWaves. "Within ten minutes we were busy defining the value chain of our company. Great, because I wanted to get things rolling." Schoones admires VisionWaves' drive. "They acquired our information at an amazing pace. They knew how our organization was build up, what our KPI's were, and what our major problems were."

Van Lanschot Chabot has daring ambitions: to develop from bankers daughter to independent top intermediary, to achieve an operational result of 20 percent in 2010, to reduce costs by 10 to 15 percent and to improve their margin on the one hand through more efficient processes, on the other through growth in turnover. Transparency of all information was another important goal. All performances needed to be improved through comprehensive management of the total value chain, both on strategic, tactical and operational level.

## **Process of Change**

To implement a significant change in an organization isn't exactly piece of cake. Schoones knew that the introduction of the value chain model wouldn't happen without struggle. After ten months of implementation, the director looks back on the past time. In principle, everybody loves the new technique. Yet after a while the real process of change is noticed. "Only when the PDCA-cycle was actually introduced, the MT-members realized what it truly meant."

The data are added to the software on a monthly basis, when checks are performed. And... a close eye is kept on the performance. "Now that the MT-members have better insight into the numbers, see the coherence between reports and results, and see their own part in the big picture, the process really starts rolling." Meanwhile, all managers are instructed to make budget proposals for their own business unit, according to the new structure. They are held responsible for their own division and focus on the result of their own actions, whilst at the same time the overall coherence between the business units is analyzed.

“We’re in a transition phase. We’re now creating a database that will supply the system with information in a monthly basis and we will soon transfer to a direct connection of the databases. If you want to manage according to a KPI, say on cost ratios, you need to have the right data. On some points, that information wasn’t present. In two months, however, we will have all data connections ready to go.”

## **Red or Green**

Even though the implementation phase hasn’t ended yet, the first signs that the strategy leak is closing are showing on strategic level. Schoones: “The strategic decisions in this company are now much more based on facts. In the past there were many projects from which you weren’t sure what stadium they were in, or if they were useful at all. Now you can map out all projects on the dashboard in the value chain. You have a precise view of where a project is at, and what the costs and benefits are.”

Also on the tactical level, results are booked, albeit with precaution. “You bring your information together on the dashboard. If this shows that your underlying results are good or bad, it provides insight into the way in which the activities in your business are mutually executed. That allows you to synchronize them.”

On the operational level, yet other changes are visible. “Account managers are judged on their clients’ visit frequency, new turnover, new releases. That is a grading system. This methodology is translated to the dashboard, so we can see how an office functions. A click on an office shows green and red links, but the overall office is green. If you show this, you prime discussion on how you can improve your working method together. It’s crucial to zoom in closely on all organization components.”

## **Mirror**

The actual change of an organizational structure depends on the willingness to cooperate. The top managers of a company need to be the first to be open-minded about a culture change. “Otherwise it’s fighting a losing battle,” says Schoones.

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“VisionWaves is actually reformulating your KPI’s and eventually your internal and external goals. It’s all about consciousness: what do I manage, and with which goal. You need to be able to be vulnerable. You need to dare to accept that mirror that is put in front of you.”

At Van Lanschot Chabot that daring was present. “You noticed there was a need for change and leadership. What is now initiated leads to growing insight and enthusiasm, which leads to change of and for the entire organization.”

It seems a bankers daughter has grown up. But does Schoones really think that the dashboard will light up completely green in the future? “Oh well, the screen is always greener on the other side of the fence...” ■

*VisionWaves provides a complete combination of innovative management software, consultancy and training, based on her comprehensive method of Strategic Value Chain Management. More information: [www.visionwaves.com](http://www.visionwaves.com) or call us on +31 (0)30 6981010.*