

Case Study

# NatWest Group's RBS Achieves £12m in Savings with a New Operating Model



## How Reinvigoration Helped NatWest Groups's Royal Bank of Scotland to Reduce Cost and Increase Efficiency with a New Operating Model

### Executive Summary

In the face of increasing competition in the banking sector, RBS, a bank with cash processing operations, embarked on a Lean programme to reduce costs by over 25%. However, significant savings were needed with much of the low-hanging fruit already picked. That's when they decided to bring in Reinvigoration to help identify ways to optimise performance based on Operational Excellence and End-to-end Improvement principles.

After detailed modelling and a review of processes and ways of working, it was found that by rationalising sites and redesigning shifts, significant financial savings could be made. Find out how the new national operating model increased equipment effectiveness to 86% and delivered benefits in excess of £12 million.





NatWest  
Group



## Client Overview

The NatWest Group (formerly Royal Bank of Scotland or RBS) is one of the largest banks in the world with around 60,000 employees and 960 branches. NatWest Cash Centres are a series of cash processing centres located in major cities across the UK. These centres are responsible for processing and distributing large sums of cash to various bank branches and commercial customers.

NatWest, RBS, Ulster Bank, Coutts, Drummonds, Holts, and Lombard are all brands of the NatWest Group, considered one of the Big 4 Clearing Banks of the United Kingdom.

## The Challenge

As one of the only bank-owned cash processors in the UK, RBS needed to take significant costs out of the business to remain competitive.

- This challenge came on the back of a successful 2-year Lean programme, which saw the business reduce costs by over 25%. However, they were struggling to see where additional breakthrough changes could be made.
- RBS had eight centres across the UK and needed advice on how they could potentially rationalise the sites to reduce cost whilst maintaining cash delivery service to one of the largest UK networks of ATMs.



## The Solution

RBS approached Reinvigoration to help identify ways to improve the performance of a cash business based on Operational Excellence and End-to-end Improvement principles. The goal was to achieve significant financial savings through improved capacity and resource efficiency.





## How Reinvigoration Helped:

- Conducted detailed modelling of all cash centres and reviewed all processes and ways of working.
- Identified several bottlenecks to flow, which hindered the business's ability to operate effectively.
- Assessed ways to improve the flow, which resulted in significant financial savings.



## The Outcomes

- Increase the Overall Equipment Effectiveness (OEE) from 40% to 86% through improvements to quicker changeovers, machinery operation, and production planning at each site.
- Redesign the national operating model, which enabled them to reduce from eight to five operational sites.
- Redesign shifts in remaining sites based on the new capacity created.
- Achieve overall benefits amounting to more than £12 million.



## The Conclusion

With the help of Reinvigoration, the new national operating model reduced the number of operational sites from 8 to 5, with an overall increase in equipment effectiveness from 40% to 86%. The programme as a whole delivered benefits in excess of £12m. Reinvigoration's approach helped RBS reduce costs whilst maintaining cash delivery service to one of the largest UK networks of ATMs.



**Learn more about  
how Reinvigoration  
can help you, visit  
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connect with our experts.**

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## About Reinvigoration

Reinvigoration is a leading expert operations consultancy and enterprise platform solution provider based in the UK. Founded in 2010 Reinvigoration has helped organisations worldwide to achieve strategic operational transformation. We use our passion and deep-rooted expertise in operations management best practices, transformation and capability building to help our clients deliver excellence with certainty, every time.



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over

**150**

global  
organisations



Delivered  
over

**£0.5bn**

in financial  
saving for clients



Improved  
over

**10,000**

client  
processes



Developed the  
capability of over

**100,000**

people



Certified  
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people in Lean  
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