

## CASE STUDY

### Card Personalisation Centre

#### Problem

A major High Street Bank had made a significant investment in new technology within its Credit and Debit Card Personalisation Centre. The key steps of the core operation were: to take customer data and emboss blank cards, encode the magnetic strip, print and attach the card to a letter and relevant inserts and finally envelope everything together. Seven new machines were installed to personalise cards with a further integrated machine to complete the process. The benefit was expected to be a significant increase in productivity and capacity which would meet future increases in demand. Current volumes were c.40,000 cards/day, with significant variety in terms of the types of card, inserts and data displayed.

Following the commissioning of the new machines, it was apparent that expected improvements were not materialising, future demand could not be met, and worse still that quality 'surprises' were still occurring. These ranged from wrong credit cards being sent to customers to incorrect leaflets placed in envelopes. This represented a major problem to the Bank's reputation.

#### Solution

oee's approach was to first conduct a thorough operational audit to understand the true performance of the new machinery and understand the potential for improvement. The audit showed that reported

efficiencies of 90%+ were incorrect, and that the true Overall Equipment Effectiveness (OEE) of the machines was nearer 40%.

This obviously presented a significant improvement opportunity. The audit also looked at:

- Business Objectives and measures
- Demand Levels
- Layout & Flow
- Planning & Control Systems
- Quality Systems
- Human Resources

An important link was established between batch size and machine performance (OEE) which enabled work to be streamlined into different machines creating an instant improvement.

A recommended course of action was implemented over the following 9 months and included:

- Training of supervisors in operations techniques;
- Introduction of an experienced Operations Manager from industry;
- Measurement of OEE and prioritisation of equipment losses;
- Introduction of new centre structure and definition of operational roles;
- Introduction of practical elements of a Quality Management System;
- Introduction of basic workplace improvements such as 5S, visual management, kanban material control, Standard Operations and daily briefings and targets.

Use of local staff proved vital in supporting the change and driving improvements, ensuring that the knowledge transfer from oee was highly effective. It was

also clear that the incumbent team leaders would not be able to meet the new operations role and that a longer term HR plan was necessary if the full improvement potential was to be realised.

#### Results

Over the course of the 9 months, machine OEE was improved from 40-60%, which liberated enough capacity for future demand to be absorbed.

The basic improvements to the operation in terms of material control and mistake-proofing also reduced the incidence of quality errors occurring, therefore minimised the impact on the Bank's reputation. The Centre's ability to absorb change was also increased, which also smoothed the introduction of the next generation of SMART cards.



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