



Performance Profiles™ Overview

Performance Profiles™ provide new insights into your organization's real performance. Built on the common sense principle that value is created by *individuals* delivering *key activities* at the point-of-service, this approach provides you new tools for aligning and measuring the impact of individuals, teams and activities across your organization.

Professional Profiles is the first approach to improve people's productivity, effectiveness and results by *aligning their work styles in relation to specific activities, customers and teams*.

Real results occur when an individual does an activity that serves a real customer need. That is the only place where real improvement can occur. Real change comes from giving individuals the knowledge, goals, measurement and control that they need to meet the customer's goals at the point-of-service. Unfortunately, few programs or methods focus on this fundamental level.

The major organizational initiatives of the past twenty years have focused on large scale process, system and structural change. These programs have changed the way that companies are structured, but they rarely drive the changes down to the detailed level of aligning individuals and activities at the point of service. They deliver a new system, but don't deliver new relationships between employees and customers. So, they provide little real ROI, other than reducing FTEs or collecting more data.

Even the organization development programs have focused on mass *structural* training, incentives and performance management programs, rather than focusing on the unique needs of individual staff and customers at the point-of-service.

Performance Profiles generates the ROI results by aligning the performance *and* profiles of your individual staff to the key activities.

- Activities aligned to build effective relationships between staff and customers
- Individuals skilled and focused on the high value activities
- Teams that are balanced to cover the right customers, sales and delivery activities
- Technologies that focus efforts on core, high value activities
- Programs that build on people's strengths and focus on key performance factors

Performance Profiles focuses on the point of service, giving you new insight into the ability of your staff to provide the key activities that customer's value.

Performance Profiles Fundamentals

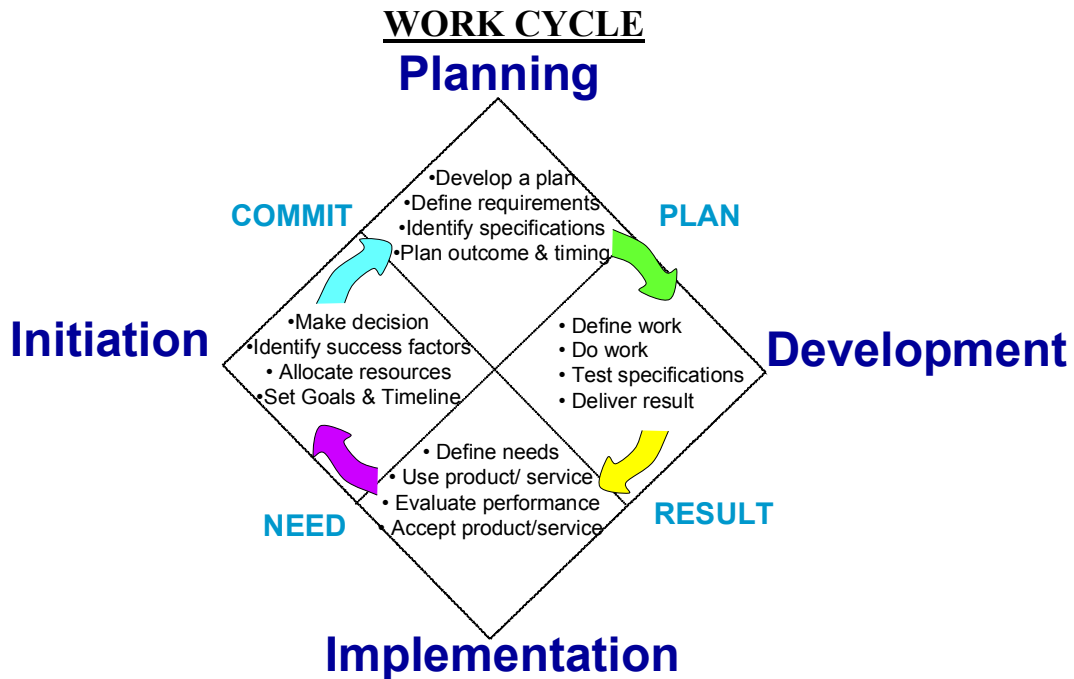
Over the last 50 years a range of Individual and Organizational Development tools have been developed by psychologists to help understand the “soft” side of business. These methods are familiar to most of us as Myers Briggs, DiSC, Firo-B, Five Factor Model, 16 PF, IQ, EQ and other variants. These have been built on the foundation of Personality and Emotional psychology. They identify the motivations and personality for individuals that excel in a specific job, then create a role model from those characteristics.

After 20 years of trying to apply these Personality and Emotive approaches to business most consultants have found that their efforts are met with near-term insight and long-term neglect. Why do these methods fall short?

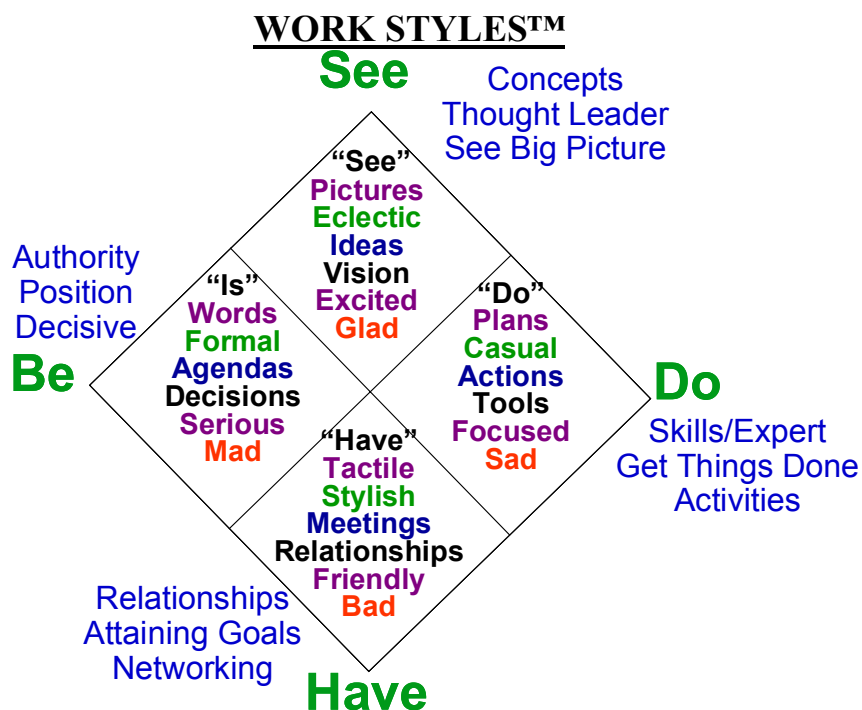
The current approaches fail because they do not apply their insights to real work and business. By focusing Personality and Emotive theory on the individual first and then applying the traits to work, they are emphasizing the wrong insights. If you want to improve the work, then start with the **work**, not the individual. Traditional methods tell us much about personalities and little about work behaviors.

Work Cycle™ & Work Styles™

Performance Profiles™ started with work behaviors first and then developed individual types that best accomplish those behaviors. This is the opposite approach from traditional OD. Starting with work flow theory, Performance Profiles is based on a Work Cycle™. The Work Cycle™ shows how every activity can be described as a four-step process of decision making, planning, development/ execution and implementation.



There are specific behaviors that are required to accomplish each of these steps successfully. Our research found that these behaviors grouped into distinctive work styles that are aligned with each step. The following picture illustrates the Work Styles with 7 of the 16 elements.



Unlike the traditional Personality and Emotive based tools, Work Styles™ are based on characteristics that are easily recognizable in work activities. For example, Extroversion and Perception are hard to apply to work activities, but Communication and Influence are directly applicable both to individual behaviors and specific activities.

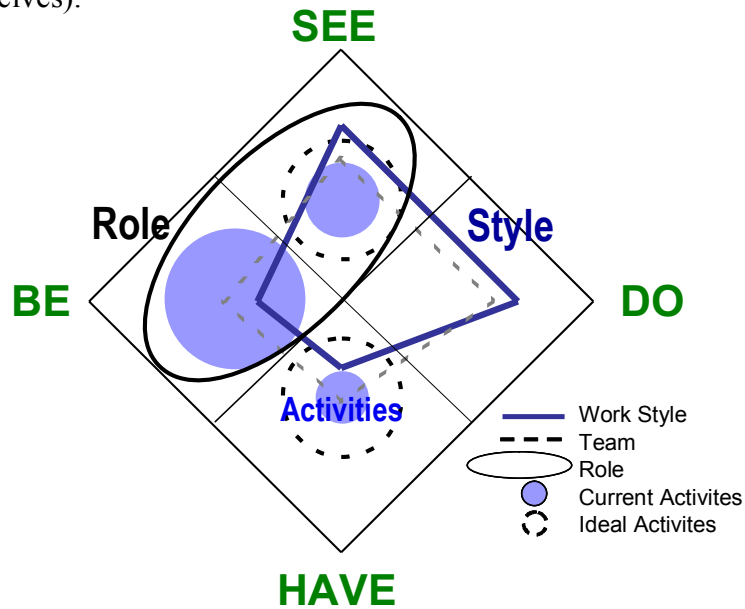
The surveys and assessment tools have been tested in a range of organizations and the questions have been validated using multiple tests and blind surveys with participants to ensure that the results are repeatable with individuals and teams. Current clients include AHP, Iowa Health System, Sentara and the Virginia Foodbank.

The integration of Work Cycles™ and Work Styles™ allows us to identify the driving Style behind any specific work action. It is important that the tools are applicable at the individual activity level, because this is the building block of other structural approaches to organization design, such as reengineering, organization structure, systems design and job design. The following table shows the Work Style of 40 generic management actions.

<p style="text-align: center;"><u>BE Tasks</u></p> <ul style="list-style-type: none"> Approve decisions Attend/run meetings Allocate resources Bill customer/collect payment Organize management Make policies/ regulations Administer policies/ regulations Document/ administrative duties Report activities (reports/memos) Interface with govt/ regulators 	<p style="text-align: center;"><u>SEE Tasks</u></p> <ul style="list-style-type: none"> Collect information Analyze information Assess situation Brainstorm/create new ideas Develop innovations Plan activities Communicate plans Create marketing/advertising Educate staff and customers Staff feedback
<p style="text-align: center;"><u>HAVE Tasks</u></p> <ul style="list-style-type: none"> Build relationships Listen to customer Identifying needs Sell product Deliver product Assist customers Manage staff Care for staff Check work Provide information 	<p style="text-align: center;"><u>DO Tasks</u></p> <ul style="list-style-type: none"> Design product/process Set up work area Order supplies/products Schedule tasks Transport materials Produce product/service Cleanup Maintain work area/equipment Count inventory Implement improvements

Individual Work Style

Now, we can identify an individual's work style and identify the mismatches they have with the range of actions that are currently in their work role. If an individual manager has a SEE-DO work style and a BE-SEE (see below), they probably have issues with the BE tasks of their job, excel at the SEE actions and continually over manage their staff on the DO actions (that they crave to do themselves).



Then, based on the Actions that are in their role and a survey of their current competencies, Performance Profiles can link to work competency applications to generate a Work Skills map.

Renee Johnson
 Sr Mortgage Service Representative
 North Park, Columbia SC Branch

Area	Skill/ Aptitude	Rating (0 to 5)	Job Profile	Gap	Area	Skill/ Aptitude	Rating	Job Profile	Gap	
Basic	Accountability	1	1	0	Systems	Document Development	3	4	1	
	Decision Making	1	3	2		Financial System	2	1	-1	
	Leadership	1	1	0		Business Modeling		0	0	
	Negotiation	1	3	2		Database Management		0	0	
	Written Communication	3	4	1		Materials/ Supply System		0	0	
	Presentation	1	1	0		Office Systems	2	2	0	
	Problem Solving	1	3	2		Loan Management System	2	2	0	
	Teaming/ Collaboration	1	2	1		Contact Management	3	2	-1	
	Work flow management	1	2	1		Customer Relations Mgmt System	2	2	0	
	Listening	1	3	2		Data Mining/ Internet Search		0	0	
	Verbal Communication	3	4	1		HR System		0	0	
						Sales System		2	2	
	Business	Business concepts	1	2		1	Banking	Bank Services & Products	2	2
Financial concepts		1	1	0	Loan Customer Service	3		2	-1	
Data Gathering/ Analysis		1	1	0	Credit Products/ Loans	1		1	0	
Industry knowledge		1	1	0	Savings Products			0	0	
Process/ Operations concepts		1	1	0	Loan Basics	Mortgage Basics	2	2	0	
Sales/ marketing concepts		2	4	2		Underwriting	1	1	0	
Customer Service		2	4	2		Loan Process	1	2	1	
Organization	Agenda/ Priority Management	1	2	1	Origination	Loan Marketing	2	3	1	
	Relationship/ Contract Basics	3	3	0		Mortgage Loans	2	3	1	
	Organization/ Information mgmt	1	2	1		Customer Q&A	1	4	3	
	Multi-tasking	1	1	0	Applications	Application Process	2	2	0	
	Tactical Management	1	1	0		Application Requirements	2	2	0	
	Time Management	1	1	0		Construction	Construction Loans	1	0	-1
	Performance Management	1	1	0	Construction Customer Needs			0	0	
	Performance Improvement (6 sigma)	1	2	1	Underwriting		Underwriting Process	1	2	1
	Facilitation Skills	1	1	0		Underwriting Fundamentals	1	2	1	
	Relationship	Personnel Practices	1	1	0	Loan Processing	Approval Process	1	3	2
		Management/ Executive Relations		0	0		Loan Documentation	1	2	1
		The Art of Persuasion	3	3	0	Closing & Shipping	Closing & Shipping		0	0
		Political Skills	2	2	0		Secondary Markets/Investment Markets	PMI, Pricing & Rates	1	3
Coaching/ Teaching		2	2	0						
Competitive Intelligence		1	1	0						
Planning & Budgeting		0	0	0						
Strategic Thinking		1	1	0						
Evaluation/ Critical Thinking		1	1	0						
Objection Handling/Conflict mgmt		2	2	0						
Questioning/ Interviewing		2	3	1						
Relationship Management		3	3	0						
Selling Skills		2	3	1						

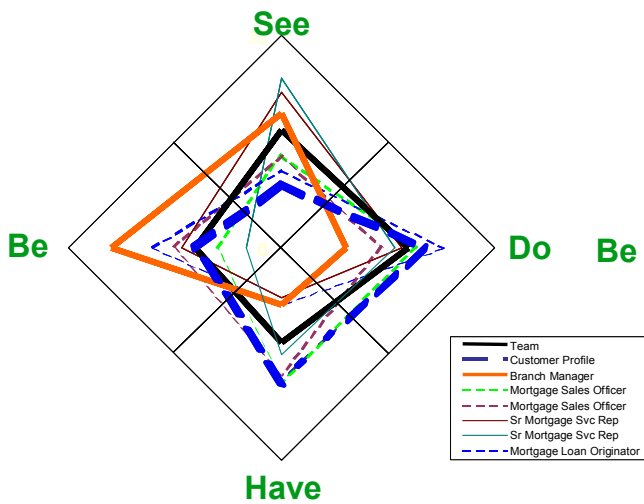
Overall Skills Balance	Rating	Job Rqmt	Gap	% Attained
Be Skills Decision & Organization	16	30	14	53%
See Skills Communication & Planning	18	27	9	67%
Do Skills Execution & Evaluation	18	27	9	67%
Have Skills Relationship & Selling	23	41	18	56%

Team Work Style

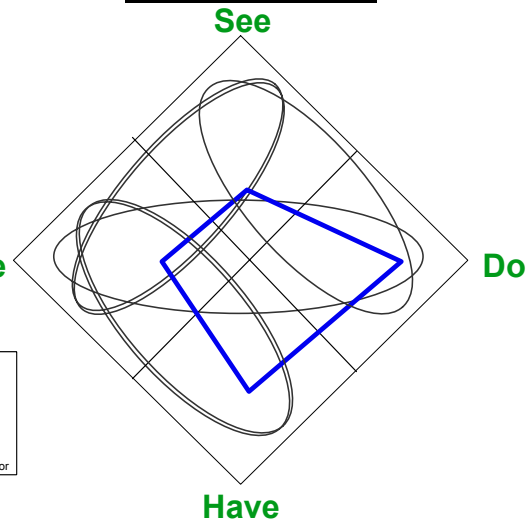
At the Team level, Performance Profiles can consolidate the individual styles and roles to show strengths and development needs, both for internal team dynamics and for customer relations.

Branch Mortgage Team

Work Style Balance



Role Balance

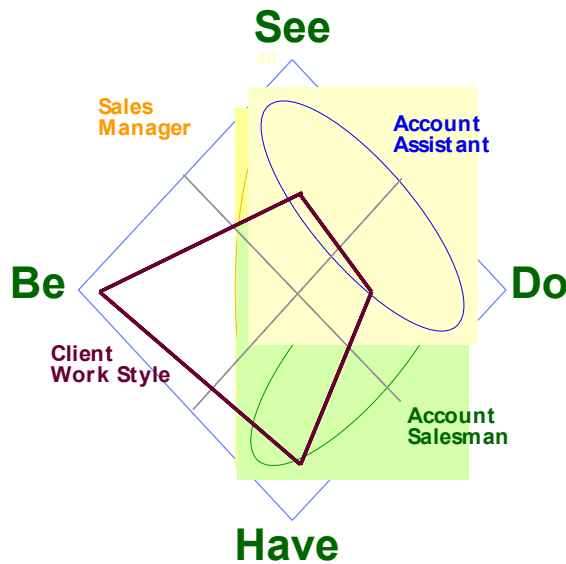


The above Work Style Balance shows the Team's Style (black) is mismatched with their Manager (orange) and neither the team nor manager match the style of the customer (blue dash). In other words, the team doesn't get along with either the manager or the customer! Even the

roles of the team members do not serve the needs of the Customer. No amount of training, team building exercises, systems or process design will help this team improve their relationships with their manager or customers. Real improvement will only come from a new manager who is in-synch with the team style and new team role redefinitions that align with the customer's needs.

With specific customer-focused teams such as Sales, the insights can be very revealing.

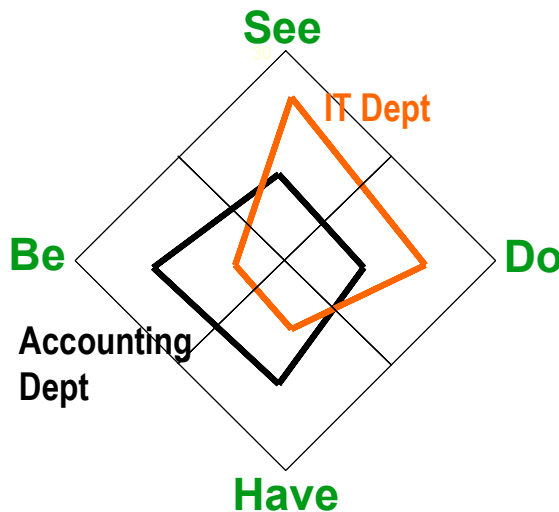
SALES TEAM BALANCE & COVERAGE



The sales team above has been balanced to deliver the sales process as defined internally, but unfortunately no one asked about the customer's preferred style. The Sales Manager is constantly called by the Customer to discuss their needs, not because the Salesman and Account Assistant aren't doing their job, but because the Customer is most comfortable with the Sales Manager's style. Again, its not training, process or systems problem, it's a work style issue.

Organization Work Style

At the Organization level Performance Profiles can identify underlying issues with cross-functional teams and age old tensions between departments and divisions.



No one is surprised when they see the Work Style comparison between the IT department and Accounting, but it is first time anyone has been able to illustrate the underlying contrast in work styles and discuss the symptoms and tensions that arise.

Performance Profiles Action Analysis quantifies a wide range of department interactions and the value that each department is producing. The Action Reports identify who is providing the high value actions and where the focus on key activities is diluted or spread to the point of mediocrity.

EXAMPLE ACTION PROFILE REPORT: Cross Functional Activity Concentration

CROSS FUNCTIONAL LOAN PROCESS ANALYSIS

Activity Concentration Matrix : by FTEs

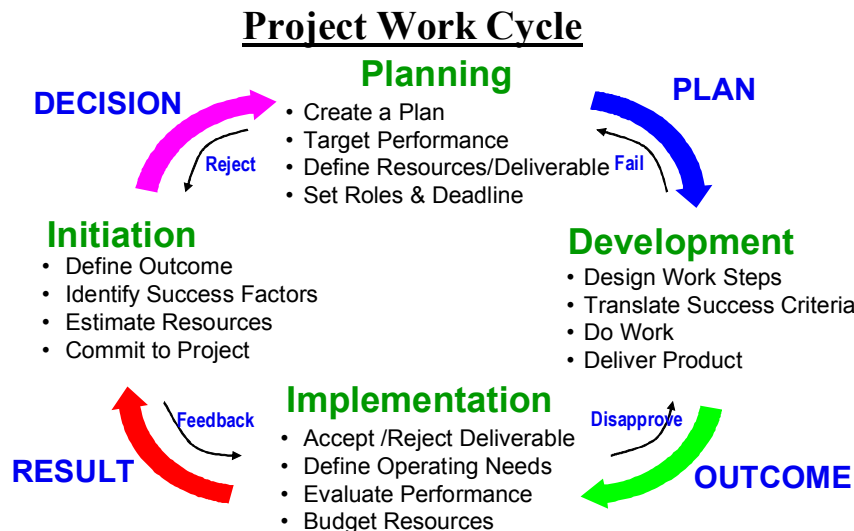
Process Group	Total FTEs	Orig /Mktg Activity	%	Processing Activity	%	Secondary activity	%	Mgmt/ Admin Activity	%	MgmtInfo Systems	%
Origination/Marketing	204	89.57	43.9%	59.67	29.3%	0.68	0.3%	53.76	26.4%	0.32	0.2%
Processing	134	1.24	0.9%	89.26	66.6%	2.84	2.1%	40.26	30.0%	0.04	0.0%
Secondary	42	0.55	1.3%	6.11	14.5%	20.73	49.4%	14.01	33.4%	0.60	1.4%
Mgmt/GeneralAdmin	78	1.30	1.7%	9.50	12.2%	4.13	5.3%	60.73	77.9%	2.34	3.0%
Mgmt InfoSystems	18	-	0.0%	-	0.0%	-	0.0%	6.25	34.7%	11.75	65.3%
Total FTEs	476	92.66	19.5%	164.54	34.6%	28.38	6.0%	175.01	36.8%	15.05	3.2%

Activity Concentration Matrix : by Cost

Process Group	Total Cost	Orig /Mktg Activity	%	Processing Activity	%	Secondary activity	%	Mgmt/ Admin Activity	%	MgmtInfo Systems	%
Origination/Marketing	\$7.75	\$3.28	42.3%	\$1.72	22.2%	\$0.25	3.2%	\$2.35	30.3%	\$0.15	1.9%
Processing	\$4.38	\$0.52	11.9%	\$2.74	62.4%	\$0.89	20.3%	\$0.15	3.4%	\$0.10	2.3%
Secondary	\$1.22	\$0.12	9.9%	\$0.14	11.5%	\$0.59	48.5%	\$0.19	16.0%	\$0.17	14.0%
Mgmt/GeneralAdmin	\$2.85	\$0.52	18.2%	\$0.31	10.8%	\$1.08	37.9%	\$0.32	11.3%	\$0.63	22.1%
Mgmt InfoSystems	\$1.01	-	0.0%	-	0.0%	-	0.0%	\$0.04	3.7%	\$0.97	96.5%
Total FTEs	\$17.21	\$4.44	25.8%	\$4.90	28.5%	\$2.81	16.3%	\$3.05	17.7%	\$2.02	11.7%

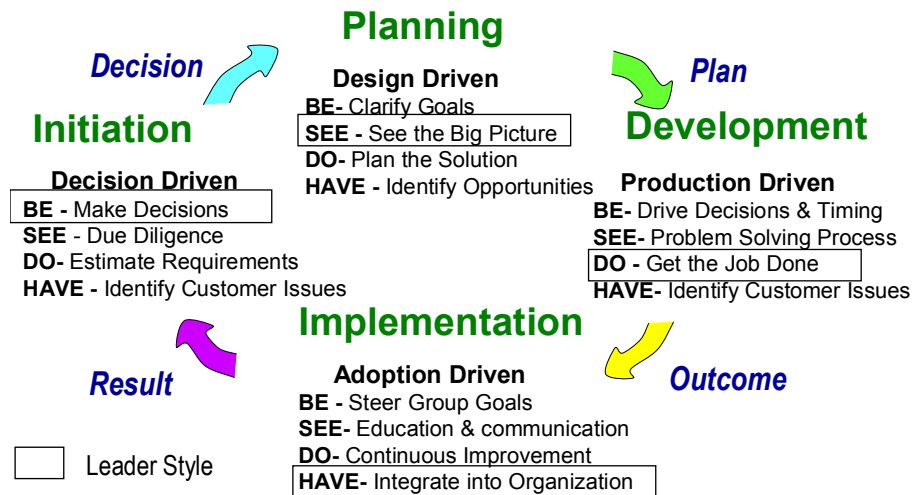
Project Work Cycle & Style

At the Project Team level, the Project Work Cycle™ outlines the specific activities, behaviors and styles required to manage and balance a project team. Following the Work Cycle™, the project work cycle outlines the actions and styles required at each stage of a project.



The project manager’s job is to focus team member’s strengths appropriately at each stage of the project. Similarly, at each stage the informal project leader role can change to give control to the team member with the right strengths and instincts for that stage of work.

Project Work Style



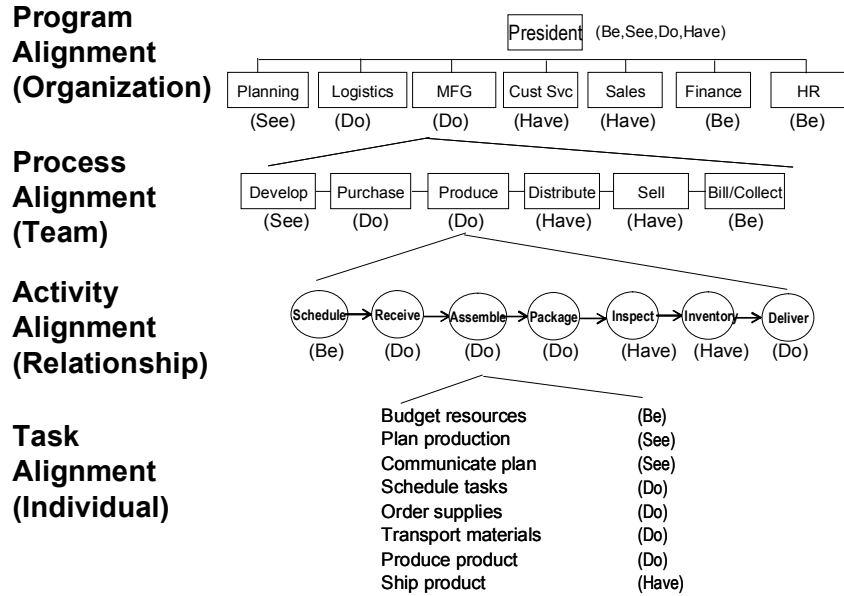
Corporate Cycle

The work cycle also applies to the stages of product and business growth. Organizations and products have to transition from an entrepreneurial visioning stage to operationalization to growth and management stages. In each of these stages the work style needs to match the actions and culture appropriate to that phase of the organization's development.



Overall, Performance Profiles™ provide an organization wide approach to identifying where your organization is focused on value and where misalignments in work style and work cycle are costing you valuable energy and attention.

Organization wide Approach

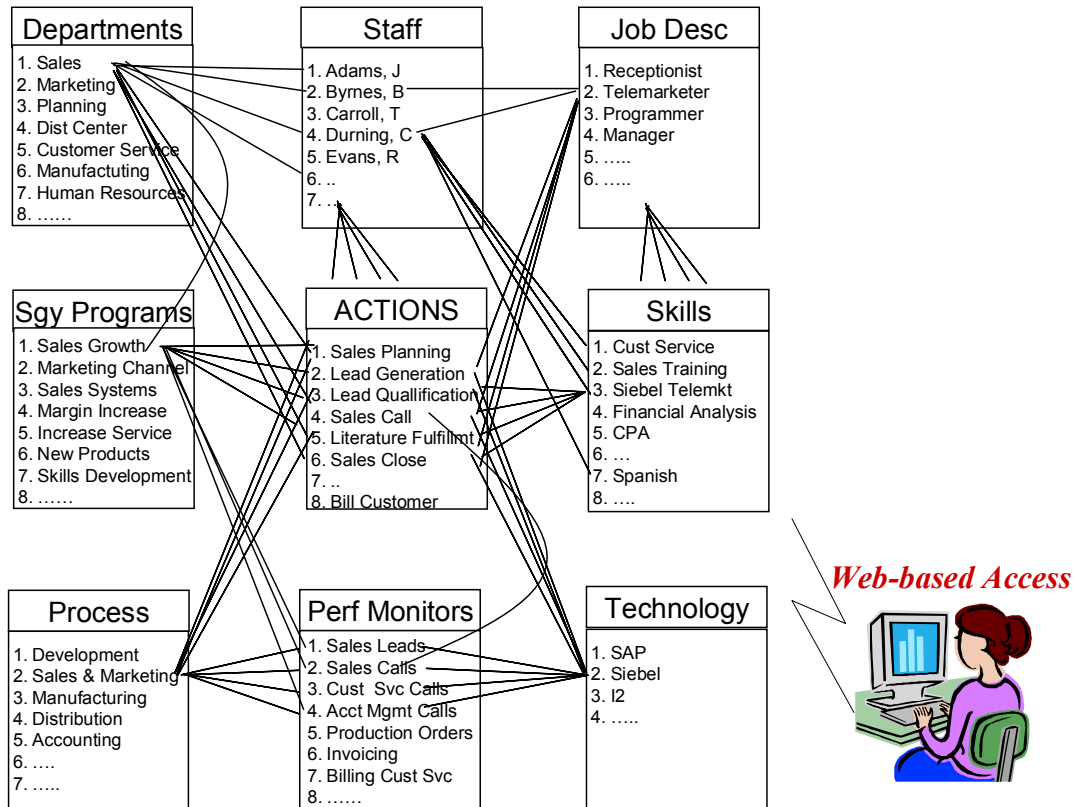


The Performance Profiles™ Approach

Your organization is built on providing key high value activities to your customers. Performance Profiles™ identifies the key activities and measures the effectiveness of the rest of your organization on how well each component directly supports the delivery of those activities.

- Do **individuals** have the right skills, roles and aptitude to deliver key activities?
- Are the **right** people in the **wrong** place?
- How do you **improve alignment** between **service centers** and **customers**?
- Are low-value **activities** taking time and resources away from high-value activities?
- What does it really **cost** to deliver the high-value activities to customers?
- Do **teams** have the right balance of skills and strengths to deliver the value-added activities?
- Do your **systems and technologies** improve the service and efficiency of delivering key activities?
- Are **strategic programs** really improving the volume, quality or cost of your key activities?
- Are you supporting the stage of the **Organization Cycle** for each business and product?
- Do the Style & Cycles of a **merger/ integration** match your culture, departments and teams?

Performance Profiles answer these critical questions by providing staff insight and performance measures for which activities, systems and skills dominate the work. Based on staff surveys, activity analysis and available system information, the approach can quickly quantify and map the alignment of key activities to the staff, teams, systems and processes. Such that a performance symptom in one area can quickly lead back to the root causes in other components.

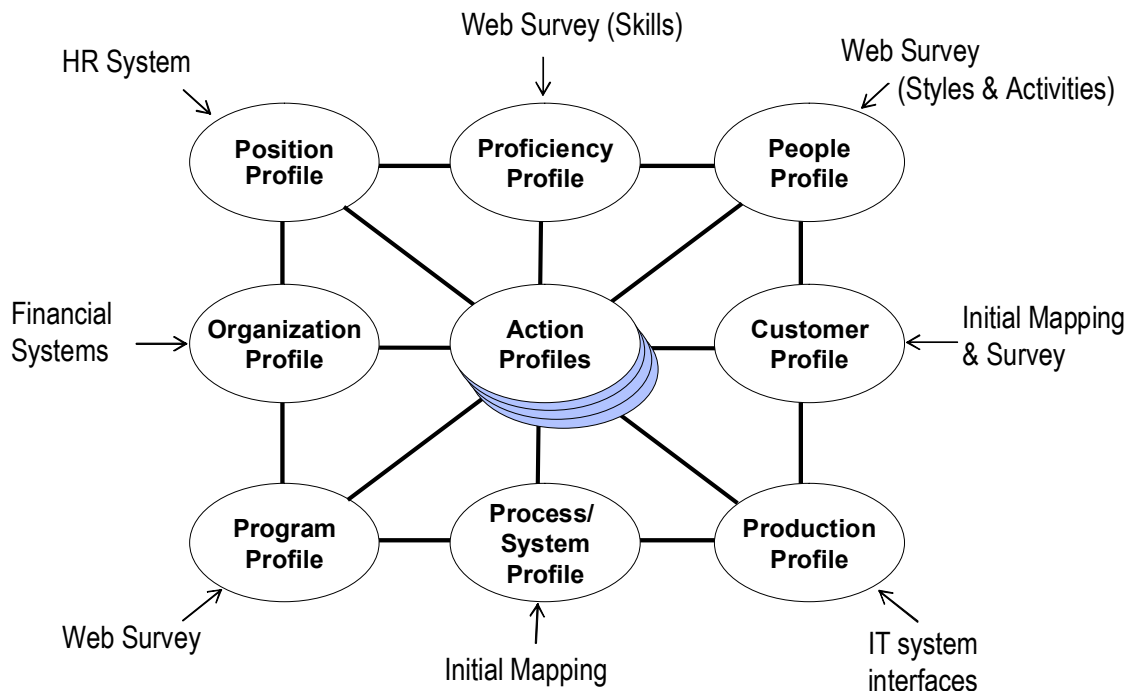


Performance Profiles™ Architecture

The system is driven from a core database of individual activity profiles. Using web-based surveys the staff report on their individual profile of: time spent on specific activities, team/management relationships, work styles/ strengths and skills/ training.

The implementation team configures the system with core activities and relationships to jobs, departments, processes, technology, performance standards and budgets. In addition, the team interfaces performance data from current information systems. Based on these underlying relationships, the system identifies the effectiveness of current staff, teams, technology, and processes at performing the high-value activities.

PERFORMANCE PROFILES™ MODULES



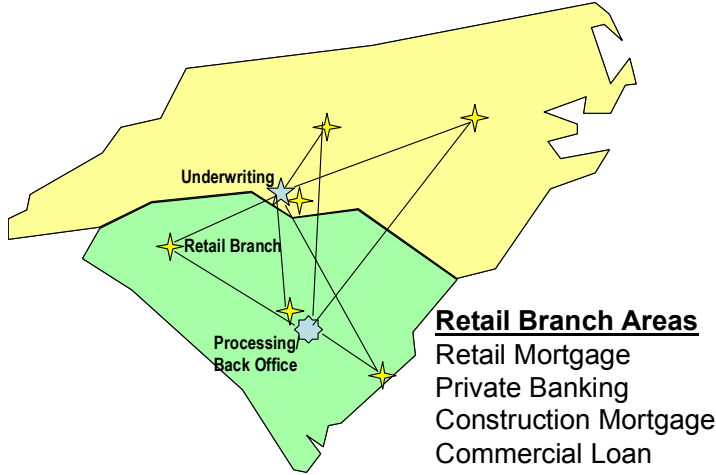
The available analysis includes 10 core assessments:

1. Individual skills & activity alignment
2. Team alignment & effectiveness
3. Activity Fragmentation
4. High-value Activity efficiency
5. Cost to serve
6. Customer Alignment
7. Performance Monitoring
8. Process alignment and weak link assessment
9. Department alignment and efficiency
10. Strategic Program impact

Performance Profiles Mortgage Center Example

Client Background and Symptoms

A bank mortgage region was having performance issues with performance (low service and customer satisfaction), below target financials and poor morale. The organization covered several states and a range of branch retail, commercial, construction, private banking, underwriting and processing/ back office locations.



Mortgage Operations Group

Teams	Staff
Retail Branch Teams (6)	17
Construction Loan Team	6
Origination Office Team	6
Private Banking Team	14
Branch Processing Team	9
Construction Processing Team	4
Central Processing	63
Underwriting Team	38
Secondary Processing Team	38
Total	195

The team quickly identified the 200+ key actions provided by the team.

1.00 Originate Mortgage Loans 1.01 Setup Customer Appointment/Request Documents 1.02 Perform Market Research 1.03 Mail Marketing Materials 1.04 Prospect Sales Contact - Realtor/Branch 1.05 Prospect Sales Contact - Borrower 1.06 Prepare Sales Plans/Reports 1.09 Pre-Quality Loan/Compute Ratios 1.10 Take Application and Collect Fees 1.11 Complete Good Faith Estimate/Review Cost 1.12 Prepare Truth-In Lending Disclosure 1.13 Review Preliminary Documents w/ Applicant 1.14 Discuss Loan Approval Process 1.15 Discuss Rate Lock Policy with Borrower 1.16 Set Up Escrow (if applicable) 1.17 Handle Internal Requests 1.19 Register and/or Lock Loan/Rates 1.20 Send File to Loan Processor	4.00 Process Approved Customer File 4.01 Review Underwriting Conditions 4.02 Contact Borrower With Decisions/Conditions 4.03 Generate Loan Approval/Decline Letter 4.04 Reconcile Fee Tracking 4.05 Resolve Conditions/Clear with Underwriter 4.06 Order Inspections/Re-Inspections/Certificates 4.07 Order Insurance Binder 4.08 Setup Closing Appointments 4.09 Prepare Closing Documents/Instructions and Send to 4.10 Prepare Adverse Action Notice 4.11 Order File by Cancellation 4.12 Store File 5.00 Closed Loan Processing 5.01 Review File 5.02 Verify Rate Lock Information 5.03 Verify Closing Instructions 5.04 Verify Fee Information 5.05 Coordinate with Closing Agent 5.06 Prepare Investor New Loan Set-up 5.07 Review Executed Document and Conditions 5.08 Balance Funding with Closing Agent 5.09 Receive Recording Information 5.10 Provide Accounting with Funding Information 5.11 Maintain Wire/Deposit Funds Log 5.12 Resolve Post-Closing Issues and Log Follow-up 5.13 Ship File to Custodian 6.00 Secondary Marketing 6.01 Create/Maintain Investor Commitments Pools 6.02 Prepare and Analyze Loan Positions, Fundings, and 6.03 Determine Product Pricing and Rate Sheets 6.04 Communicate and Get Feedback on Prices for Security 6.05 Perform Hedging Functions/Obtain Coverage for 6.06 Develop and Maintain Investment Banker and Investor 6.07 Maintain and Develop Service Provider Relationships 6.08 Prepare Offering Documents 6.09 Allocate Loans to Investor Commitments/Pools 6.10 Perform Investor Underwriting/Pool Insurance 6.11 Track Pool Performance (Example: Delinquency Ratio) 6.13 Monitor and Ensure Investor's Approval of PMI 6.14 Forecast and Monitor Open Positions for 6.15 Setup and Monitor PMI Coverage Requirements 6.16 Forecast Production for Secondary Purposes (example: 6.17 Analyze Collateral for Pooling 6.18 Warehouse Loan Review	7.00 Post Closing and Shipping 7.01 Prepare Incoming File Related Documents 7.02 Log In File/Prepare File Receipt 7.03 Review File for Submission Order 7.04 Review File for Completeness 7.05 Review Deed of Trust 7.06 Review Title 7.07 Review Mortgage Note 7.08 Photocopy Documents in Loan File 7.09 Distribute Loan Files/Documents 7.10 Match Late Arrival Documents with Loan File 7.11 Prepare Agency Case File 7.12 Obtain Mortgage Insurance Certificate for High LTV 7.13 Prepare Collateral I 7.14 Prepare Collateral II 7.15 Prepare Trade Tickets 7.16 Endorse Loans Over to Investors 7.17 Prepare Modern Files to FHLMC/FNMA 7.18 Prepare Shipping Package for Investor 7.19 Log Entries into Pool Certification Binder 7.20 Prepare and Ship File to Investor 7.21 Perform Exceptions Resolution/Retail 7.22 Make Phone Calls to Branches/Retail 7.23 Prepare and Send Files to Storage/Vault 7.24 Prepare Assignments 7.25 Sent Assignment to County 7.26 Perform for Quality Assurance for File Selection 7.27 Perform for Quality Assurance for Internal Audit 7.28 Perform for Quality Assurance for Process and Review 7.29 Perform for Quality Assurance for Write Up Exceptions 7.30 Cross Reference Unidentified Mail 7.31 Prepare Broker Sheets	9.00 Sales/Office Management 9.01 Develop/Rollout New Products 9.02 Track Branch Performance 9.03 Perform Market Research/Product Enhancement 9.04 Administer Calling Officer/Sales Program 9.05 Monitor Employee Cross Selling and Referrals 9.06 Calculate Sales Commission 9.07 Provide Statistical Sales Analysis 9.08 Administer Incentive Compensation Plan 9.09 Document Procedures 9.11 Perform Employee Succession Planning 9.12 Review Employee Performance 9.13 Evaluate Employee Performance 9.14 Clear Underwriting Conditions 9.15 Implement Changes in Policies/Procedures 9.16 Answer Customer Complaint Calls 10.00 General and Administrative 10.01 Make/Take Phone Calls/Miscellaneous/Messages/etc. 10.02 Make/Take Phone Calls-Customers (Borrowers, 10.03 Produce Correspondence/Memos/Sales Materials 10.04 Perform Copying, Filing and Faxing 10.05 Perform Ad Hoc Reporting 10.06 Generate Manual/Systems Reports 10.07 Log Files 10.08 Update Loan Status 10.09 Put File in Order for Underwriting or Investors 10.10 Perform General Supervision Responsibilities 10.11 Interview Job Applicants 10.12 Answer Questions concerning Job Opportunities 10.13 Maintain Job Posting System 10.14 Perform New Hire Processing 10.15 Review/Approve/Process Terminations 10.16 Maintain Records on Existing Employees 10.17 Attend Administrative Meetings 10.18 Attend Management Meetings 10.19 Attend Sales Meeting 10.20 Travel 10.21 Attend Internal Training/Seminars 10.22 Attend External Training/Seminars 10.23 Process Mail 10.24 Monitor or Maintain Supplies 10.25 Retrieve Records/Files 10.26 Complete Up Front Loan File Certification 10.27 Complete Pre-Closing Loan File Certification 10.28 Complete Pre-Shipping Loan File Certification 10.29 Resolve Loan File Certification Issues 10.30 Pay Branch Expense Bills 10.31 Pay Loan - Related Bills 10.32 Wait for Work	11.00 Technology Related 11.01 Develop/Rollout New Products 11.02 Perform Network Management and Support 11.03 Manage/Maintain Printers and Print Reports 11.04 Perform User Support 11.05 Perform Systems Analysis 11.06 Program Systems 11.07 Perform Application Development 11.08 Perform Application Implementation 11.09 Perform Mortgage Origination System Maintenance 11.10 Perform other PC Application Maintenance 11.11 Perform Database Design and Planning 11.12 Perform Database Administration Function 12.00 Construction Loan Origination Activities 12.01 Obtain Builder's Cost Breakdown 12.02 Review Approve Builder 12.03 Initial Funding (Construction Loans) 12.04 Establish and Maintain "Draw" Schedule 12.05 Order Construction Site Visit/Inspection 12.06 Obtain Certificates of Occupancy/Completion 12.07 Reconcile and Prepare Loan for Final "Draw" 12.08 "Roll-Over" to Permanent Financing (Final "Draw") 13.00 Accounting/Finance Activities 13.01 Perform General Ledger Accounting/Reconciliation 13.02 Perform Accounts Payable Processing 13.03 Perform fixed Asset Accounting 13.04 Perform Due from Accounting/Reconciliation 13.05 Perform Report Generation - Management 13.06 Perform Budget Preparation/Maintenance 13.07 Perform Financial/Strategic Planning 13.08 Perform Financial Analysis-Regular/Ad-Hoc 13.09 Perform Wire Transfer (Incoming/Outgoing) 13.10 Balance Applications 13.11 Perform Asset/Liability Management 13.12 Perform Investment Portfolio Management 13.13 Perform Securities Processing 13.14 Perform Daily Cash Settlement 13.15 Perform Investor Accounting 13.16 Perform Mergers and Acquisitions
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The team developed action profiles, style surveys, interviews and analysis to identify current performance and team balance/ coverage issues. The following reports and graphs demonstrate the underlying issues with poorly defined roles, team imbalances and lack of focus on high value actions.

Client Reports and Findings

The reorganization of teams, roles and work developed balanced teams and focused the organization on high value actions and results. The redesign effort eliminated forms and procedures that were distracting staff from customer needs and refocused staff on the key actions that create value for the customers and the organization.

CROSS FUNCTIONAL LOAN PROCESS ANALYSIS

Activity Concentration Matrix : by FTEs

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Secondary	42	0.55	1.3%	6.11	14.5%	20.73	49.4%	14.01	33.4%	0.60	1.4%
Mgmt/GeneralAdmin	78	1.30	1.7%	9.50	12.2%	4.13	5.3%	60.73	77.9%	2.34	3.0%
Mgmt InfoSystems	18	-	0.0%	-	0.0%	-	0.0%	6.25	34.7%	11.75	65.3%
Total FTEs	476	92.66	19.5%	164.54	34.6%	28.38	6.0%	175.01	36.8%	15.05	3.2%

Activity Concentration Matrix : by Cost

Process Group	Total Cost	Orig/Mktg Activity	%	Processing Activity	%	Secondary activity	%	Mgmt/Admin Activity	%	MgmtInfo Systems	%
Origination/Marketing	\$7.75	\$3.28	42.3%	\$1.72	22.2%	\$0.25	3.2%	\$2.35	30.3%	\$0.15	1.9%
Processing	\$4.38	\$0.52	11.9%	\$2.74	62.4%	\$0.89	20.3%	\$0.15	3.4%	\$0.10	2.3%
Secondary	\$1.22	\$0.12	9.9%	\$0.14	11.5%	\$0.59	48.5%	\$0.19	16.0%	\$0.17	14.0%
Mgmt/GeneralAdmin	\$2.85	\$0.52	18.2%	\$0.31	10.8%	\$1.08	37.9%	\$0.32	11.3%	\$0.63	22.1%
Mgmt InfoSystems	\$1.01	-	0.0%	-	0.0%	-	0.0%	\$0.04	3.7%	\$0.97	96.5%
Total FTEs	\$17.21	\$4.44	25.8%	\$4.90	28.5%	\$2.81	16.3%	\$3.05	17.7%	\$2.02	11.7%

Breakdown of Top 25 High Cost Activities:

HIGH VALUE **MEDIUM VALUE** **LOW VALUE** The low value added activities in the 25 high cost activities, account for 26% (\$4.6 Million) of all activities
21.04% **29.78%** **49.19%**

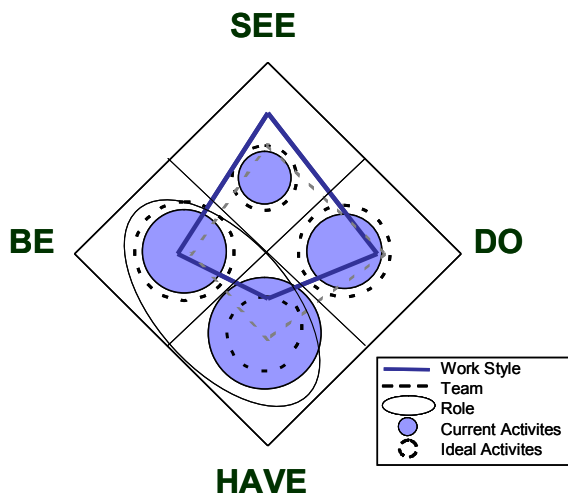
Activity Description	Salary Cost (\$000)	% Of All Activities	Activity FTE	Actual Count	Concentration Index	Added Value
Make/Take Phone Calls-Misc/Messages	\$989.02	5.75%	30.14	234	0.12	LOW
Make/Take Phone Calls-Customers	\$842.37	4.9%	25.27	209	0.12	HIGH
Take Application and Collect Fees	\$652.93	3.79%	17.845	130	0.13	MEDIUM
Perform Gen Supervision Responsibilities	\$625.61	3.64%	10.07	72	0.13	MEDIUM
Perform Copying,Filing, and Faxing	\$467.97	2.72%	15.33	217	0.07	LOW
Produce Correspond/Memos/Sales Materials	\$464.60	2.70%	11	109	0.10	LOW
Pre-Qualify Loan /Compute Ratios	\$463.90	2.70%	12.945	132	0.09	HIGH
Prospect Sales Contact- Realtor/Branch	\$461.67	2.68%	11.89	110	0.10	HIGH
Follow-Up On Missing Information	\$420.29	2.44%	14.55	184	0.07	LOW
Attend Management Meetings	\$369.62	2.15%	5.3	68	0.07	LOW
Review Files Received From Loan Officers	\$355.00	2.06%	10.82	84	0.12	LOW
Resolve Conditions/Clear W/Underwriter	\$292.88	1.70%	8.8	106	0.08	LOW
Attend Internal Training/Seminars	\$281.47	1.64%	6.315	90	0.07	MEDIUM
Perform Final Loan Underwrite	\$274.55	1.60%	6.46	45	0.14	MEDIUM
Setup Customer Appt./Request Docs	\$255.76	1.49%	7.04	121	0.05	MEDIUM
Prepare Closing Docs/Instruct & Send	\$251.85	1.46%	9.51	61	0.15	MEDIUM
Review Received Documents	\$241.19	1.40%	8.57	116	0.07	MEDIUM
Travel	\$230.30	1.34%	4.13	51	0.08	LOW
Set-Up/Prepare/Photocopy File for UW	\$218.36	1.27%	7.96	81	0.09	LOW
Respond to Ext Inq/Status Req-Borrower	\$215.68	1.25%	6.71	113	0.05	MEDIUM
Prospect Sales Contact- Borrower	\$209.20	1.22%	5.27	58	0.09	HIGH
Perform Initial Loan Underwrite	\$207.60	1.21%	5.64	43	0.13	LOW
Attend Administrative Meetings	\$206.59	1.20%	3.63	65	0.05	LOW
Respond to Int Inq/Status Requests	\$201.71	1.17%	6.9	89	0.07	LOW
Process Mail	\$199.10	1.16%	7.47	96	0.07	LOW
TOTALS:	\$9,399	54.83%	259	2,684	0.09	
GRAND TOTALS:	\$17,206	100.00%	476	476	1.00	

The Action Analysis found a high degree of redundant work being provided by adjacent teams and practices that drove the staff to focus on Low & Medium value actions. Few of the staff interviewed could readily identify high value actions or outcomes. Much of the work was also fragmented across a wide number of jobs, with little ongoing coordination or follow through. The team was quick to take a loan application, but lost track in the following steps and was unsure of the accountability for managing an application through to loan closure.

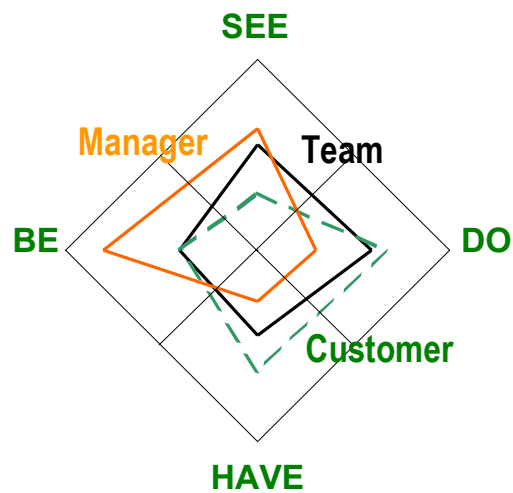
The team work style coverage and balance was not much better. Few individual roles and styles were balanced and teams were many times out of synch with customers and managers.

Sr Mtg Service Rep

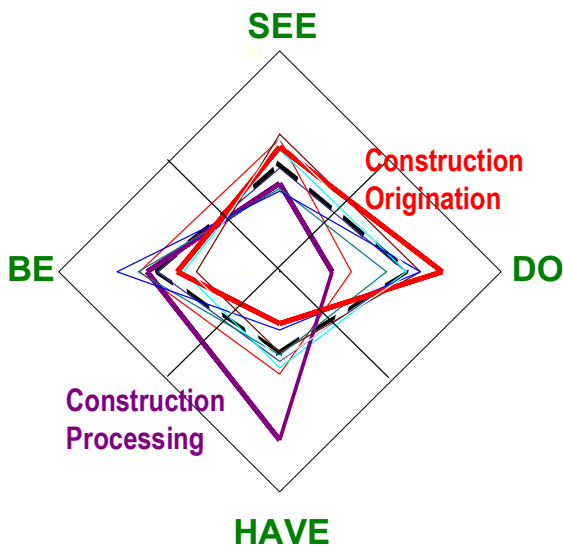
(See-Do)



Branch Origination Team



All Mortgage Teams



Branch Team Role Balance

