

**Editor's note:** This department features Six Sigma related content excerpted from the annual reports and other communications produced by a variety of the world's most successful companies.



**Kenneth D. Lewis**  
Chair, CEO and president

FROM BANK OF AMERICA'S 2002 ANNUAL REPORT, QUARTERLY EARNINGS REPORTS AND VARIOUS MEDIA

**FEATURED COMPANY:**

# Bank of America

**From annual and earnings reports:** Last year I wrote about our organic growth strategy, intense focus on customer satisfaction and Six Sigma initiatives for enterprisewide process improvement. This year, I am pleased to report that our focus on quality and productivity is changing not only our culture inside the company, but also the way our customers view us from outside the company.

For the year, the number of customers rating their satisfaction level a nine or 10 on a 10-point scale—those we refer to as “delighted”—rose 10.4%, or 1.2 million customers across the franchise. Over the same time period, more than 1 million fewer customers experienced problems with bank services, a decrease of 34%.

In consumer and commercial banking, we've streamlined processes for deposits, payments and problem resolution. In the asset management group, associates are using Six Sigma to boost sales and revenue opportunities. And in global corporate and investment banking, associates designed and implemented an automated, standardized client calling and pitch reporting system to enhance client relationship management and cross sales. We have hundreds more projects in the pipeline and plan to more than double the number of Six Sigma Green Belt and Black Belt projects in 2003.

Expenses were down 9% from a year earlier to \$4.83 billion, primarily due to tightened expense control, less litigation expense and use of Six Sigma tools that resulted in produc-

tivity gains and efficiencies. Adjusted for the amortization of goodwill, expenses decreased 6%. The efficiency ratio was 53.9%.

The theme of this report—Higher Standards—reflects your company's commitment to the idea that in every endeavor, there is always an opportunity to raise the bar, to do something better than anyone has done it before.

The company is embracing Six Sigma tools and skills to lead to higher process and service standards as we handle nearly 57 million customer transactions faster and more accurately. Last year, for example, these efforts resulted in improvements in processing of 22% for same day payments and 35% for same day deposits.

The bank's efficiency ratio—a measurement of how much it costs to make money—continues to improve, thanks to Six Sigma troubleshooting.

**From the *Charlotte Business Journal*, Jan. 29:** The bank wants to double the 500,000 net new accounts it achieved in 2002. One thing that will help it achieve the goal is that the bank expects to lose fewer customers. Six Sigma troubleshooting has reduced the number of errors that drive customers away.

**From *Fortune*, March 30:** Lewis' Holy Grail is doing banking's small tasks faster, better, cheaper. He's even installed Six Sigma, a quality control process usually used in factories, to reduce errors on mortgage applications and credit card selections. 