

# Spain's Santander Central Hispano bank achieves global quality with ISO 9001:2000

The Santander Central Hispano Group, one of the world's largest banking institutions, achieved "global" ISO 9001:2000 certification of its entire Spanish organization in December 2000, involving 2 500 processes and 35 000 front and back office employees. According to the author, customer satisfaction and trust has increased since implementing a system "which prioritizes their requirements and responds quickly in the event of default or complaint".



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**T**hrough recent growth, Santander Central Hispano Group of Spain has consolidated its position as one of the world's 15 largest banking institutions by market value. The Group currently employs over 125 000 people, and serves some 36 million customers at 10 000 branches in 42 countries.

Its aim is to be the bank that offers the best customer service. With excellence as a core value, satisfying customer needs and expectations is the pillar of its "value creation network" of products, brands and distribution channels.

With this objective, the bank has defined its own quality model now being implemented throughout the markets and countries in which it operates. This involves the application and regular measurement of strict customer service standards that revolve around three axes: people, processes and management style – with the customer as the focal point.

This ambitious process was endorsed by ISO 9001:2000 quality certification of all internal and

external activities carried out by Santander Central Hispano in Spain, involving customers, employees, shareholders and suppliers, and covering 2 500 processes and the activities of 35 000 employees. We believe this is the first ISO 9001:2000 certification of this scale granted to a bank. The award was made in December 2000 by AENOR<sup>1)</sup>, the Spanish Association for Standardization and Certification.

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## Objectives of quality certification

The two main objectives of certification were to:

1. ensure implementation of our quality model in all units, in accordance with internationally recognized requirements.
2. subject all our processes and activities to a system of control and continuous improvement.

Commitment to broad implementation of a quality management system (QMS) was established in March 1999 during our first

Officers' Convention. At that time, we were pleased to discover that the draft of the new 2000 version of ISO 9000 focused on principles very much in line with those envisaged in our own quality model. It added terms not directly addressed by ISO 9000:1994, such as:

- understanding and satisfying customer needs;
- assessing the respective processes in terms of added value, and
- establishing continual improvement systems based on objective appraisals.

These new ISO 9000:2000 perspectives, together with our commitment to a programme of QMS implementation in all units, encouraged us to address the enormous challenge of certifying the entire Spanish organization in accordance with the more demanding requirements of the new 2000 version, by the end of 2000.

Our second objective, that of subjecting all processes to a system of control and continuous improvement, was also of great value.

Contrary to what one might think, the moment at which an organization embarks on the integration of its units is the ideal time to establish and certify a QMS. During this stage, all processes are reviewed and defined, and those, which are to survive, are identified and implemented. This is an excellent opportunity to establish and document the process metrics. Basically, it means getting things right first time.

### Organization and people

Our company-wide certification plan was implemented without external help because we were convinced that the employees working



in each unit were the best judges of what had to be done and how. Consequently, the units would feel masters of the system being implemented. Over 600 people were directly involved in this process.

At ISO 9001:2000-certified Santander Central Hispano Bank, quality revolves around three axes: *people*, *processes* and *management style* - with the customer as the focal point.

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We created an internal group of seven people drawn mainly from the Group Quality Office who became responsible for coordinating the plan and advising all units on its execution. The Internal Audit Division assumed the role of internal auditors of the resulting QMS.

We established an ad hoc ISO 9000 committee made up of divisional quality managers in order to analyze and solve any difficulties arising. Finally, the Group Quality Committee followed progress of the quality plan for 2000 in detail.

## Stages in the certification process

Each unit followed four stages in the process:

### 1. Planning

During the planning stage, we determined the activities, timing and number of participants from each unit to be certified. Experience of previous certifications enabled us to plan the necessary resources per unit accurately.

### 2. Training

Over 600 people received a two-day ISO 9000 training course. Included were unit quality managers

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them. This was the key to distinguishing which processes generated value for the end customer or internal user, and which processes were vital to the units.

We documented processes according to pre-established standards and established the respective quality controls and indicators. The documentation was reviewed by each departmental quality committee and approved by the highest responsible officer in each unit. Changes

in procedure were immediately notified to those involved. From then on, the system was up and running and records of system control and improvement began.

All units to be certified received an advance visit by the certifying body. Although not binding, these pre-audits were extremely useful in providing us with a diagnosis of system implementation, enabling us to make adjustments before undergoing the final certification process.

### 4. Internal and external audits

Internal audits carried out by the bank's Audit Division were followed by external audits conducted by the Spanish certification body, AENOR, until all 94 units were certified. The full certification process for each unit took an average of four to five months, scheduled in several batches throughout the year.

### Internal service agreements

Currently we are implementing the "service provider agreement" concept between in-house suppliers and in-house customers. This establishes a permanent dialogue between units in order to set generally agreed standards of service. Our aim is that



The in-house service provider/in-house customer concept has had a very positive effect on the quality supplied to Santander Central Hispano's external customers.

and officers responsible for documenting processes and establishing quality indicators. Some 50 of the bank's auditors received specific training on quality system auditing.

### 3. Implementation and pre-audit

Following training, we made an inventory of processes and responsibilities in each unit and prioritized



anyone using a particular service will be well aware of the service level required and the extent to which that level is being met.

Thanks to this system, the in-house customer will know what to expect from the in-house supplier, and in turn, what the latter can promise to offer to the next link in the chain. This approach is being applied to the main support divisions, in the following sequence:

- We identify the most important customers and the products and services they demand.
- Group meetings are held between the in-house supplier, the in-house customer and the Quality Department to ascertain the key customer requirements.
- We make proposals for levels of service and decide on indicators to measure the degree of compliance.
- The service level agreement is made and follow-up frequency established.
- Finally, we implement and measure the quality of service provided via the indicators, and the quality received via surveys.

This assurance of internal quality, improving both in-house customer satisfaction and the efficiency of the bank's processes, is having a very positive effect on the quality we supply to our final customers. And, of course, improving customer satisfaction is the principal objective of these service provider agreements.

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### Benefits of 'global' ISO 9000 certification

Company-wide quality certification provides the following benefits:

- Everybody in the bank speaks the same quality language.



One of Santander Central Hispano's 10 000 bank branches.

- In the banking sector, quality plans were traditionally implemented in the front office. With global certification, the back office is also involved in the process.

- Global certification has increased the trust of external customers in the bank, since we have implemented a system which prioritizes their requirements and responds quickly in the event of default or complaint.

- In-house customer trust has also increased through the service provider agreements.
- Finally, global ISO 9001:2000 certification has proved to be a good starting point for our journey to excellence. ■