



# Lean management from the ground up in the Middle East

An interview with Suhail Bin Tarraf, CEO of Tanfeeth

By incorporating lean-management principles from an early stage, a Gulf-based shared-services provider has increased employee engagement and effectiveness, even while growing rapidly.

**Tanfeeth, whose name is Arabic for “getting the job done,”** is a United Arab Emirates (UAE)–based shared-services provider and a subsidiary of Emirates NBD, one of the Gulf region’s largest banks. Tanfeeth has been growing rapidly by working with clients to drive improvements in quality, efficiency, consistency, and cost of voice and data in business functions such as call-center operations, collection services, finance and accounting, HR services, and banking operations.

Although Tanfeeth was founded only at the beginning of 2009, it is already branching out beyond its initial focus on supporting Emirates NBD to serve other organizations as well.

CEO Suhail Bin Tarraf, having helped steer the HR integration of the 2007 merger between Emirates Bank and National Bank of Dubai, recognized an opportunity to build a new organization based on lean-management principles. Through enhanced productivity, cost management, professionalism, and employee engagement, Tanfeeth has already delivered a net financial impact of 36 percent to the parent company.

McKinsey spoke with Mr. Bin Tarraf at his office in Dubai.

**McKinsey:** *Let’s start at the beginning—how did you get the idea to create a service-excellence company?*

**Suhail Bin Tarraf:** I was born and raised in Dubai. Dubai is a very young place. You can see all the skyscrapers, but I’ve found that some business practices and management systems have yet to catch up with the infrastructure.

One basic concept that’s still developing is the idea of a service-level promise—the bar is not yet set. For example, if you apply for a credit card and you know that getting the credit card will take three days, that’s the promise. Then it’s possible to enhance it to become two days or less. That whole concept does not exist in this region.

We saw an opportunity there. In banking, for example, the products are quite similar these days; it’s the service that makes the difference. But what is service, and how do you measure it? We set up Tanfeeth to fill this gap. We help our clients provide better and better service to their customers.

**McKinsey:** *You set out to make Tanfeeth lean right from the beginning—why did you do that?*

**Suhail Bin Tarraf:** I’m always trying to make things work better. Even in my HR days, an important goal was to find ways to bring our HR philosophy closer to a business approach. At a visit to a lean-management program at a UK bank in 2009, I saw a way of working and managing that complemented my thinking and style. So I was already a natural believer. As we began building Tanfeeth, that experience confirmed for me that lean management is what Tanfeeth needs in order to fulfill its promises and compete differently in our market.

**McKinsey:** *What did you find so appealing about lean management?*

**Suhail Bin Tarraf:** It helps explain important ideas to our people. Lean management gives us rigorous ways to design our processes and management systems. Moreover, it all makes sense to our people and helps them build their skills.

## Suhail Bin Tarraf



Suhail Bin Tarraf, CEO of Tanfeeth, has 11 years of experience in the United Arab Emirates's banking sector, specializing in HR and organizational development. Before his appointment as CEO, he was Emirates NBD's general manager of HR. This role included leading the HR integration process for more than 8,000 staff members during the merger of Emirates Bank and the National Bank of Dubai in 2007.

Mr. Bin Tarraf holds a bachelor's of business administration from the American University in Dubai and an MBA from the International University in UAE.

**McKinsey:** *What are your objectives for lean management at Tanfeeth?*

**Suhail Bin Tarraf:** For me, success is quite simple. Number one is for Tanfeeth to be the first-tier service provider in the region—one with robust management systems that are hard for others to copy. We call our new way of management the “Tanfeeth Operating Model” (TOM).

Number two is to become a talent institute. If we overinvest in our talent for the future, we will create sustainability and push Tanfeeth to the next level of performance—and further.

**McKinsey:** *How is lean management helping you to achieve that?*

**Suhail Bin Tarraf:** It's a mixture of things. It helps us focus on our clients' promises to their customers. Superficially, a loan application may look like just the beginning of a process. But to the customer it's much more—it might be paying for a child's tuition or buying a house. Lean management helps us, as well as our clients,

see how our process is just a step in making that customer's goals happen. Equally important is the transparency that lean management creates. Here your targets are so transparent that your manager cannot question whether or not you have delivered them. In fact, you can question your managers if you don't agree with their assessment.

It starts from my office. I keep a visual-management board—a large whiteboard showing current performance at a company-wide level. So does everyone on our executive team. Our boards are there for all to see.

But none of this will work unless people embrace it. That's the third thing about lean management that's so important—it's not a project, it's a culture. This is something we have worked hard to create, and it's the reason for our success so far.

**McKinsey:** *How have you created your culture?*

**Suhail Bin Tarraf:** It took us around six months, running two to three workshops a week with

the leadership team, to come up with the vision, the mission, the five values, and the behaviors.

But it was worth it. Senior management knows it inside and out and believes in it. And the managers cannot say, “Oh, some consultant gave it to us.” We created it ourselves. That itself shows, for lack of a better word, “belongingness”—which is very important for any organization.

**McKinsey:** *Is belongingness one of your five values?*

**Suhail Bin Tarraf:** Not that exact word, but “one team” is, and that includes an element of belongingness.

“Continuous improvement” is a value that we work hard on, because our journey has just started and it’s still evolving. The mind-set we’re trying to instill is that it’s OK to make a mistake—that

way, more problems will be raised and more improvements will be implemented by people closer to the work.

“Respect” means more than just the basics of respecting time—arriving on time, leaving on time, focusing on the meeting you’re in, responding to your e-mails—or diversity, religion, gender, and so on. It means developing your skills to their fullest potential and helping colleagues develop theirs as well.

“Integrity,” for us, means that what we say and what we promise is what we deliver. If you promise something, you make sure that you deliver it.

And, of course, “customer comes first.” For example, this evening I have a meeting at 8 o’clock with a client. We never say no!

**McKinsey:** *What does it mean to live up to those five values on a day-to-day basis?*

**Suhail Bin Tarraf:** I spend 50 to 70 percent of my time on the floor, with floor walks every day. At first staff were uncomfortable, but now they smile and say hello and open a conversation. They tell me the issues they’re facing and ask for help when they need it. Recently, for example, in the call center, one of the agents said that the older agents were handling more calls than the new agents because they’re more experienced. This was something I’d already picked up on three weeks earlier, and so I was able to explain that we’re putting a training program in place. They hear from me directly that we’re working on things.

I also do weekly town halls; during these, we have reward and recognition sessions, talent shows featuring employees, and Q&As where

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people can ask me any question they want. This is something that I am pretty sure never existed here in the region before Tanfeeth.

Finally, I have an “Ask Suhail” portal where they can ask me any question and I’ll respond within 48 hours.

Being open to this feedback is new for me. Before I just assumed people were happy. But now I sit down and do “process confirmations” with agents and managers at every level—short one-to-one sessions where we talk about how the process is working and what their issues, pain points, and challenges are.

This office—the CEO’s office—can be quite lonely if you let it be. If you want to be lonely, it’s your call. I don’t want to be lonely, so I go out and spend time with our people where they work. If you visit people at their level, they’ll respect you. It’s an expectation we have set for all executives. On every floor, every performance board has a place for the relevant executives to sign it each time they visit. If we see too few signatures, that is a problem we address quickly.

**McKinsey:** *What should the lean leader’s priorities be?*

**Suhail Bin Tarraf:** For me, the most important thing is the people who work here. It’s as simple as that. I’m a cost to them—they pay my salary.

My one piece of advice to lean leaders would be to use the “day in the life of,” or DILO, exercise, where you go through and record everything that you do for a day. That’s what gave me the time to go to the floor. I used to get stuck in a lot of meetings, but now I choose my meetings so that I can keep my 50 to 70 percent commit-

ment to be free to walk the floors. I leave a lot of tasks to the executive committee and make sure our schedules are synchronized. Executive-committee meetings always take place after noon, because in the morning we are all taking care of the floors. That has to come first.

This is all part of our structured root-cause problem-solving process, through which issues get raised to the executive-committee level. Most of our meetings then focus on resolving problems as a group, which is a much better use of our time than the standard executive meeting.

**McKinsey:** *It sounds as though you have had to change yourself as a leader, too.*

**Suhail Bin Tarraf:** It feels like growing ten years in one year. Once you accept that you need to learn, you open up to new ideas, to feedback, and to challenges.

I went back to basics—I realized that I had to be part of the call center, to sit in on the call, to see the application and how it works. That shows everyone that problem solving is critical throughout the company, from bottom to top.

It’s important to go back to simple stuff. I believe everybody is responsible enough and smart enough. No one person can do it alone, so we empower our people. Believe in your people. And have fun!

**McKinsey:** *What was the biggest challenge you faced?*

**Suhail Bin Tarraf:** I underestimated the need for HR capacity. There were HR issues on the floor, such as poor punctuality and low levels of staff engagement, which were taking up a

lot of the floor managers' time. Some of the floor managers did not yet have the people skills to handle this effectively. We came up with the idea of introducing "line HR" on the floors.

**McKinsey:** *How does line HR work?*

**Suhail Bin Tarraf:** For every 200 or so employees, we dedicate a line-HR professional who works with the local operations team to monitor the group's pulse. That individual helps reinforce our organizational values while also ensuring that any HR issues that employees raise get addressed. It's a structure that allows us to make our talent, evaluation, reward, and recognition practices all work in an unbiased way.

**McKinsey:** *You've touched on performance management. What else can you share with us about that?*

**Suhail Bin Tarraf:** Transparency is essential. Robust performance management helps managers systematically develop their teams' capabilities and at the same time meet budgetary and performance goals. That's what success is for us.

**McKinsey:** *You're rapidly expanding into new areas. How do you manage that process?*

**Suhail Bin Tarraf:** Our approach is to break a nine-month transition into three phases of three months each.

The first three months for a floor is chaotic. We introduce TOM and redesign the processes. The agents are totally confused.

The next three months are the harvest, when you start seeing the fruits, the crop. The staff is amazed

by the performance gains and proud of their ability to deliver on promises to customers. They feel more connected to the way we achieve these outcomes: the sense of community that arises with the daily huddles, weekly problem-solving sessions, and town halls. Agents shift gears and think, "Yes, this is a better way of working . . . this is change we want."

The last three months are when we see a big increase in the number of improvement ideas coming from the floor. They can sense their empowerment; they feel encouraged to question things.

**McKinsey:** *In building a lean institution, you traveled the world and picked top senior talent from a wide range of organizations and cultures. How did you bring them together around a single lean-management culture?*

**Suhail Bin Tarraf:** All of them came with their experiences, and all of them wanted to implement their own ideas. What turned them on to lean management was a visit to a US bank. Most of them saw the benefit of lean management and embraced it that day. From then on, they didn't need pushing anymore; they started to preach the concepts themselves.

**McKinsey:** *I know that part of your aim as a talent institute is to help Emirati development by creating opportunities and building skills. How are you doing that?*

**Suhail Bin Tarraf:** I want to develop Emiratis and all talented individuals in this region—we do not differentiate between Emirati and non-Emirati. An Emirati goes through the same regular training as everyone else. He or she is competing with expatriates who have world-class talent.

There's a huge gap between new hires who are expats and those who are UAE nationals. Expats typically have four or five years' experience, while a national will be a fresh graduate. Our job is to shrink that gap.

We use a graded approach that monitors their progress on a quarterly basis. We allot a buddy to them and enroll them in our mentor program, where high-potential employees get to mentor two or three people over a period of nine months. But again, this applies to nationals and expats alike.

**McKinsey:** *Is your selection process different, too?*

**Suhail Bin Tarraf:** As we do for all our employees, we think hard about what type of Emiratis to source. Are they hungry for change? Are they ready to challenge the status quo? In addition to talent, do they have fire in the belly?

We also think about how to develop them. We want them to add value to the organization rather than to be a cost. We're starting to send them abroad to understand different cultures, so they move out of their fishbowl and see another fishbowl.

We want to train them to become our leaders of the future.

**McKinsey:** *What would you do differently if you had to start all over again?*

**Suhail Bin Tarraf:** I always think about that. I would not rush the process as much as we did. We went from 200 people to 2,000 people in less than 18 months, and the sheer volume that we had to handle in the transformation was unbelievable.

Second, I would spend more time and effort to make sure the team embraces the culture so that it becomes one team and takes care of itself.

Last, I'd build in the line-HR element earlier so that it's integrated with the operation.

**McKinsey:** *What would you say to somebody thinking about trying lean management?*

**Suhail Bin Tarraf:** If we hadn't gone with a management system based on lean principles, in the very best case, it would have taken us many years to get to where we are now. With lean management we have a rocket booster on our backs. It provided us with a system and structure for accelerating our journey. ○