

Five Tactics for Keeping Branches Relevant

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Branches can remain relevant, even in a digital era, if banks turn them into centers for higher value interaction with customers.

Smartphones are increasingly recognized as a natural conduit for everyday financial transactions, such as making payments and scanning checks for deposit. Still, some financial business is not meant for the small screen – or any size screen, for that matter. Many consumers continue to value the opportunity to sit down and talk through their financial options for saving for a growing family’s future, for choosing the best mortgage terms or for financing home improvements on their beloved fixer-upper.

Are your bank branches designed to facilitate those interactions, or are they stuck in routine transaction mode? Here are five tactics for turning your branch infrastructure into a strategic advantage to enhance wallet share:

Shift the focus to “higher quality” exchanges. Our [2015 Teller Line Study](#) quantifies how the steady decline in branch traffic over the past quarter-century has accelerated in recent years. Though deposits and withdrawals remain the most common transactions, representing almost half of current in-person interactions, branches that maintain these services as their primary mission will continue to lose ground.

On the other hand, some questions about financial choices are best asked and answered in person. Financial institutions with the right employees in place to better facilitate conversations with customers about their financial goals and decisions are likely to see significant increases in product sales. These interactions also serve to re-purpose the branch in the minds of customers as their favored destination when they are in need of trusted financial advice.

Executing this transition successfully entails an enterprise view of the organization so that both online portals and branches reflect consistent brand positioning and approach to product presentation and customer support. Does the online content supply the level of detail and navigational ease to meet the expectations of savvy customers, who are comfortable shopping on their own for financial services? Are frontline employees trained as universal agents and does branch design support the institution’s reputation as a premiere financial services provider, not just a 5,000-square-foot ATM?

Cast a wider net for talented staff. “Do you have previous experience handling financial transactions?” is a common question of bank hiring managers. Favoring candidates with a long resumé of branch employment does reduce the learning curve around specific industry knowledge, but may rule out potential all-stars who could thrive in a sales-centric environment.

Instead of ranking prospective employees by previous banking experience, a better approach to branch service points to the need for candidates with sales expertise. While some veteran banking staff can be trained in sales techniques, institutions also need to seek out new employees with an affinity for and

experience in sales, even in other sectors such as retail, and train them to be bankers. Most likely, financial institutions will strengthen service delivery by providing both types of training.

Approach branch design with fresh eyes. Customers who visit a branch looking for a financial conversation and are greeted by tellers behind an imposing counter likely experience a disconnect between their expectations and the financial institution's ability to deliver what they want and need. By employing a deliberate systematic approach to blend new technologies, staff training, and architectural design, banks can develop sustainable strategies for sales-centric service for current and future customers. Convenient access to self-service technology efficiently delivers basic transactions, opening up the rest of the space for comfortable, engaging conversations.

Revolutionizing branch design and service delivery can also incorporate new tools to forecast and measure staff productivity and to improve scheduling. When customers enter, are they greeted by an office full of idle staffers or forced to wait their turn for the next available harried employee? Financial institutions can rely on software solutions to improve branch efficiency by scheduling the right staff to be on hand when customers are most likely to come calling.

Find inspiration from other innovators. Limiting the search for new ways to serve customers to ideas gleaned from traditional competitors reflects a herd mentality that could end up ceding the innovation race to those crafty fintech (financial services technology) start-ups. Adapting leading-edge service offerings from other industries, from hospitality to retail to transportation, provides an opportunity for financial institutions to break out of the confines of traditional branch delivery. Consider these examples:

Chili's was among the first restaurants to roll out tabletop ordering, entertainment and payments devices to keep customers engaged and improve service delivery. Imagine the possibilities in providing branch customers with instant access to useful content on financial services and products with some opportunity for interactive engagement.

Hotels and airlines pamper frequent flyers with preferred customer options like upgrades and private lounges. How can bank branches roll out the red carpet for their most valued account holders and improve the customer experience by aligning conversations in ways that reflect individual needs and preferences? By providing exceptional personal service, it is possible to turn the branch visit into an experience worth repeating – and praising to friends, family, and colleagues.

Some retail stores now offer customers the option to [schedule appointments](#) through smartphone apps, a much-appreciated acknowledgment of the value of their time. Financial institutions can develop the same opportunity for their customers and simultaneously improve [operational efficiency through better scheduling](#), which ensures that the right staff person is on hand to greet customers when they walk in the door.

Apply smart, and safe, technological and process improvements. Risk management and regulatory compliance are essential in the financial services industry, but the lack of same is often cited as an advantage for startup fintechs, who don't have to play by the same rules. Fortunately, branch design,

process and training upgrades can simultaneously modernize customer service and adhere to the letter and intent of regulatory safeguards. For example, teller cash recyclers can reduce the threats of internal fraud and robbery and new security systems and processes can eliminate the requirement of two employees being on hand to open and close low-volume branches.

In combination, these tactics to align branch design and staffing with customer expectations for higher quality interactions with trusted advisors entail an aspirational mindset away from business as usual. Survival of the fittest favors not the most experienced or biggest competitors in the field, but those who adapt most ably to a changing environment.