

THE BRANCH REIMAGINED

JENNIFER WOLDT

New CU branches combine high-touch service, cutting-edge technology, and creative design elements for an engaging member experience.



Rivermark Community CU's redesigned branches steer the focus away from the traditional teller line. Instead, they target the member experience and offer increased convenience with extended hours, online appointments, and the ability to conduct transactions using self-service technology. Take a video tour of a Rivermark Community branch at news.cuna.org.

Walking into a Rivermark Community Credit Union branch in the early 2000s was like stepping back in time and into a branch of the 1960s, where everything revolved around the teller line.

"Aside from the color of the velvet ropes on the teller line, nothing had changed," says Seth Schaefer, chief experience officer at the \$815 million asset credit union in Beaverton, Ore.

In 2008, Rivermark Community began to examine its facilities to see how it could improve the branch experience for members while continuing to offer the services they sought.

The end result is branches that have a small footprint but are more convenient and accessible. It offer extended hours, touch-screen video, universal staffing, online

FOCUS

- **Incorporate** convenience and accessibility into your branches.
- **Focus** on the member experience rather than transactions to increase member engagement.
- **Board focus:** Determine what your members want before taking a new approach to branching.



The “living room” concept allows First Technology FCU staff to collaborate with members, build relationships, and meet members’ financial goals.

FIRST TECHNOLOGY FCU

BEAVERTON, ORE.

appointment scheduling, and more.

What the redesigned branch doesn’t have: A granite teller counter—or those velvet ropes. Instead of teller transactions, the focus of the branch is now the member experience.

“Our vision is to put the branch into the hands of our members: Branch by choice, not by force,” Schaefer says. That includes giving members access to mobile services that previously would have required a branch visit.

The need for branches isn’t going away. According to Accenture Consulting’s 2016 North America Consumer Digital Banking Survey, 87% of consumers say they’ll use a branch in the future. The branch will remain relevant and important to consumers because it allows them to connect with human advisers, a feature members value.

Of those who use a branch, 61% prefer “full-service branches,” which offer extended hours and full sales support, including mortgage specialists, the survey reports. But millennials prefer “light branches,” which are highly automated and provide access to advisers through videoconferencing.

Convenience and accessibility

Convenience and accessibility were among the top features Rivermark Community wanted to incorporate into its new branches, Schaefer says.

The credit union introduced video tellers in its drive-through lanes to “get our feet wet with technology,” he says, and then began making changes to the interior, which now features a transaction vestibule with interactive video tellers. This area of the branch, which is sectioned off from the main branch with a large glass door, has extended hours.

Inside the main branch area, service representatives no longer handle simple transactions, such as cashing checks or making deposits. Instead, they’re equipped with mobile devices to engage members by actively listening and assessing their financial needs.

With the introduction of touch-screen video teller technology and online appointment setting, the credit union has reaped a 44% reduction in time spent processing teller transactions and a 60% reduction in branch wait times, Schaefer says. On average, a Rivermark Community video teller handles 2,500 to 3,000 transactions per month, while a traditional teller

handles about 1,200 transactions a month.

Members are taking advantage of the extended hours, too: 24% of all transactions now take place from 5 p.m. to 8 p.m. on weekdays or between 2 p.m. and 6 p.m. on Saturdays, Schaefer says.

The 'living room' concept

First Technology Federal Credit Union in Beaverton, Ore., now designs its branches to allow staff to collaborate with members.

"We created a 'living room' concept that we call our relationship center," says Brad Calhoun, chief retail and marketing officer at the \$10 billion asset credit union. "This is where our lobby manager greets and directs members as they come into the branch."

Branches have two stations for typical transactions. The goal of these stations is not only to complete the transaction, but also to learn more about members and their financial goals.

First Tech employees can continue conversations

Why Consumers Use Branches

Top reasons people plan to use a branch two years from now:

49%

Have more trust when speaking to someone in person

Receive more value when speaking to someone in person

47%

40%

Like the overall branch experience

Source: Accenture Consulting's 2016 North America Consumer Digital Banking Survey

with members in a lounge-like private suite when needed, Calhoun says.

After rolling out the new branch design, the credit union saw a 40% drop in transactions but a 15% increase in sales. Those numbers point to an increased level of engagement with members, Calhoun says.

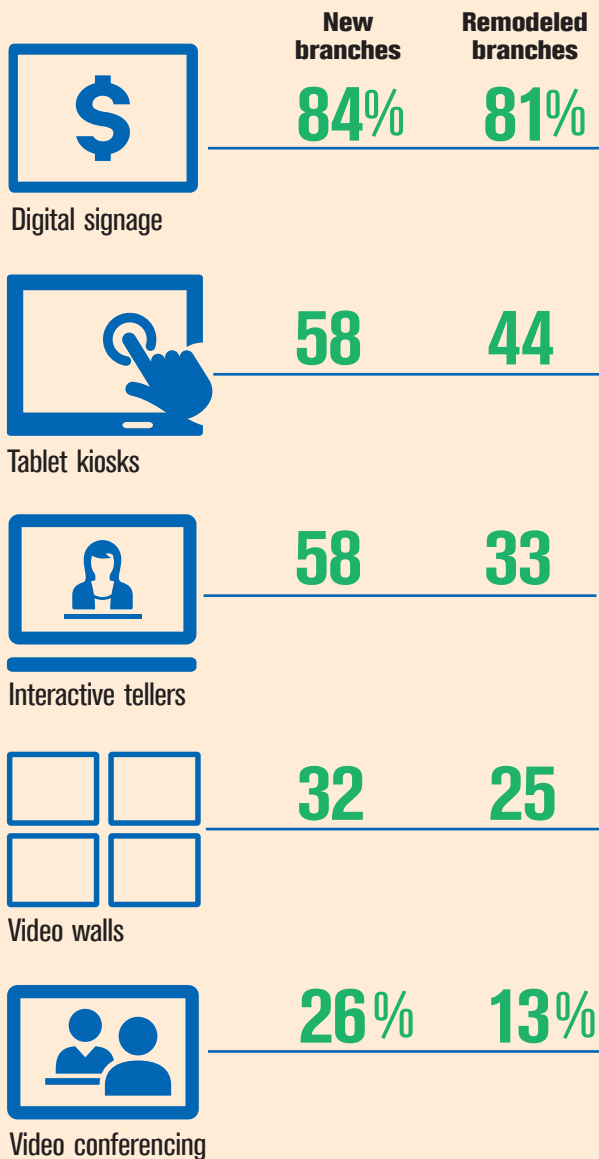
"When we observe a decline in transactions and growth in sales, we know our new branch design strategy is working," he says. "That's because we're seeing more members managing transactions via self-service options and more members spending time in our branches speaking with our teammates on how

ELEVATIONS CU BOULDER, COLO.



At Elevations CU, branches have the inviting atmosphere of a coffee shop or brewpub, and reflect the surroundings and lifestyles of the communities where branches are located.

Emphasizing Technology in Branches*



*The percentage of financial institutions implementing technology in new and remodeled branches.

Source: "Branch Transformation 2017: A Report About the Evolving Banking Center" by Codigo

to reach their financial goals."

It's not just the layout of the branch, but also the design that allows members to feel more comfortable while carrying out their financial tasks.

At Elevations Credit Union in Boulder, Colo., Branch 2.0—the credit union's moniker for its efforts to develop a unique branch experience for members—features full-function teller pods for processing transactions, and areas where members consult with staff.

But it's the look of the branch that really appeals to members, says Jay Champion, chief operating officer

at the \$1.8 billion asset credit union.

The branches resemble a coffee shop or neighborhood brewery tasting room, and feature interior finishes made of sustainable materials, eco-friendly furniture, and Colorado artwork that "reflects our local surroundings and lifestyle," Champion says.

The inviting, familiar branch feel has built trust and long-term relationships with members, Champion says. The credit union has seen increases in its Net Promoter Scores® (from 64% to 76%), year-over-year loan volume (36%), and new accounts (4%) in 2016.

"It's the combination of high-touch, one-to-one service, and great technology that makes our Branch 2.0 model work," Champion says.

Transformation through technology

One way credit unions have changed the design and focus of their branches is through the addition of new technologies.

Features such as digital signage, tablet kiosks, interactive teller machines, and video walls allow members to conduct business without the assistance of an onsite employee. Examples include handling simple cash transactions, changing an address, and discussing a loan via video conference.

"Technology is a vehicle that transports your vision to reality," says Lisa Huertas, vice president, emerging markets, at FTSI. The CUNA Strategic Services alliance provider offers interactive teller machines, ATMs, digital walls and signage, and video collaboration tools.

"We've seen a huge shift in our business model over the last three to five years," she says. "We started FTSI as an ATM sales and service provider. But today, 75% of our business comes from institutions seeking interactive solutions dedicated to branch transformation."

At First Tech, technology upgrades include a cash recycler to improve productivity, digital screens that highlight marketing campaigns and special offers, and a mobile bar, where staff can walk members through the online banking experience, Calhoun says.

But even if members embrace top-of-the-line technology, the branch's success still depends on the human staff members.

"This model is only as good as the people and the training they receive to build relationships and connections," Calhoun says.

Branching best practices

Tackling a branch redesign isn't a simple task that can be completed quickly, credit union leaders agree. And no set process exists for every credit union to follow.



“This new philosophy is not a one-size-fits-all approach, and we didn’t dream it up overnight,” Champion says. “It’s the product of years of careful study.”

Still, some common best practices emerge:

► **Do your research.** Study your current branch design and figure out what’s important to your members. What products, services, and features do they want a branch to provide?

“We’ve had almost 70 credit unions visit us in the past two years,” Schaefer says. “The first question we always ask is, ‘Why are you here? What are you trying to solve?’ You’d be surprised how many don’t know.”

► **Look at other examples.** See how other credit unions have redesigned their branches. Visit and talk with leaders and employees at those credit unions to see what worked, what didn’t, and what advice they’d offer.

► **Tweak as necessary.** Once you’ve redesigned your branch, continue to monitor its performance and make changes to accomplish the goals you’ve set for the branch.

“We’re trying to be nimble,” Schaefer says. “We real-

ize our journey’s not perfect. But we want to fail fast and fail cheap.”

► **Remember the people.** While redesigning the look and feel of your branch and updating technology is important, don’t forget about your employees.

Make sure your staff has the knowledge to take on the consultative role members will expect in the new facility and the ability to give members the experience they desire.

“The investment in the look of your branch,” Calhoun says, “is only as good as the people inside your branch.”

RESOURCES

► CUNA Essential Management Skills eSchool, Oct. 23-27: cuna.org/training-and-events

► FTSI, a CUNA Strategic Services alliance provider: ftsius.com

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