



Branch Transformation: Getting Started PART 2 of 3

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BRANCH TRANSFORMATION: GETTING STARTED

With all the conversation about Branch Transformation accompanied by the lack of any real consensus as to what the end state looks like, there is clarity on several critical elements that are mandatory as a starting point. The role of the branch channel going forward is key to profitability. Transforming the branch is more than just changing signage and layout. It requires changes in processes, policies and culture. A critical part of these changes is positioning a branch to deliver value to clientele that goes beyond basic transaction processing. To do so, branch staff must be educated, empowered and enabled to deliver high-value client interactions.

Educated

In August of 2014, the ABA announced its new Universal Banker [UB] Certificate, “which is designed to prepare frontline branch staff to serve as the single point of contact for satisfying the diverse needs of walk-in customers.”

“Universal bankers have multifaceted job responsibilities that range from basic transaction processing to product and service sales and referrals. The certificate’s curriculum focuses on key product knowledge, relationship building, customer service and expert referral skills.”ⁱ In order to be ABA certified as a UB, a person must complete an eleven course curriculum, which requires about 23 hours in total, according to the ABA website.

The financial industry has been talking about the need for UBs now for several years. This makes perfect sense at a time when branches are being down-sized and staffing reduced. It also resonates with the larger transition of branches

from transaction centers to financial services centers. Now the concept has some definition thanks both to the financial institutions who have shared their experiences as well as the industry thought leaders who have also weighed-in. An ABA UB certificate is certainly a good start, but the collective experience of those who started the transition from tellers to universal bankers defines other key elements to a successful transition.

Make sure that the right expectations have been set. While it could be that universal bankers might coexist with traditional tellers in a given branch where transaction volumes so justify, the new normal is to staff branches with UBs instead of tellers. FIs need to understand that this change requires a different sort of individual with ‘soft skills.’ It is likely that not all of the current teller staff will be able to make this transition. It is also a sure bet that FIs will need to adjust their recruiting and hiring practices.

Even with the availability of the ABA Certification, banks and credit unions

will need to aggressively re-train staff. UBs earn higher incomes as compared to tellers. The change to UBs, therefore, must be more than nominal. They need to be more productive on a wider variety of tasks and duties.

In a recent report, Deloitte Center for Financial Services confirms the importance of proper training but adds, **“Retraining staff to take on new roles is not enough-empowering them to provide tailored solutions to customer problems is equally pressing.”**ⁱⁱ

Empowered

It is also critical that branch staff be empowered. With increased adoption of mobile and online channels, there will be fewer and fewer face-to-face interaction opportunities. For those that remain, the stakes are much higher.

In addition to supporting branch staff with full access to the customer’s data, the frontline staff must have some level of decision-making authority to fix problems on the spot. For decisions that require

higher authority beyond what the local staff can decide, quick and direct access to someone with that level of authority is essential.

Again, according to Deloitte, **“Achieving one-touch resolution of every customer complaint is probably impossible for any bank today, but training and empowering branch staff enables banks to work toward that ideal.”**ⁱⁱⁱ

Consulting firm McKinsey expresses a similar view, “Front-line skills, capabilities, systems and processes are wasted investments if the front line is not empowered and motivated to use them.”^{iv}

Enabled

Branch configurations must facilitate a new customer interaction. Universal Bankers cannot be **“tethered”** to a traditional teller line. According to Bancography, “...the teller line must be redesigned to allow an employee to easily migrate from a paying and receiving station to a sales and service workstation.”^v Others call for a total branch redesign to an open plan concept or ‘dialog banking,’ a concept pioneered by Glory legacy companies dating back to the early 2000s.

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Technology also plays a key enabling role. According to Lawrence Freeborn, a senior research analyst at IDC Financial Insights, **“Just as the rise of new technology has threatened the branch in the past few years, it also holds the key to their continued relevance. By implementing the right solutions, a bank can ensure that its branches are cost-effective and play their role in offering excellent customer experience.”**^{vi}

The consensus seems to be that the transition to Universal Bankers must be supported by technology that makes the more mundane transaction processing simpler, faster, and more customer-focused. Enter the Teller Cash Recycler!

According to an American Banker article entitled Channel Changers: the Rise of the Universal Banker,

“Another piece of equipment proving key to the universal banker model is the cash recycler, which automates transactions, stores and dispenses money and lets multiple employees work out of the same drawer.”^{vii}

Not only do cash recyclers allow multiple staff to work off of a single secure cash supply, they also vastly simplify the deposit, withdrawal and balancing functions while also saving transaction processing time. By eliminating multiple manual counts, branch staff can now have greater focus on the customer and use the transaction time saved to execute selling and relationship-building strategies.

Continuing the Conversation

Glory has been in the business of transforming branches for many years. Through our legacy companies, Glory invented the dialog banking and open plan concept, with Dialog Towers®.

All along the way, Glory pioneered the introduction of enabling technologies for the financial industry. Glory is happy to discuss our enabling technologies in support of your branch transformation. Contact your Glory Account Manager for more information.

i Quotations taken from: ABA Press Release, August 21, 2014

ii Getting Real About Branch Transformation: How to reinvigorate branch strategy, 2015, Deloitte, Page 6.

iii Ibid, Page 7

iv Retail Banking Insights: The Future of U.S. Retail Banking Distribution, McKinsey & Company, February 2014, Page 5.

v Bancology Newsletter, Bancography, June 2009

vi Bank Branches Are Not Dead: But need to play complementary role in an omnichannel strategy, Firstpost.com, July 28, 2015

vii “Channel Changers: the Rise of the Universal Banker”, American Banker, Heather Landy and Mary Wisniewski, May 28, 2014)

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