

# ED Design

# COLLEGE

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**Think 'inside the box'  
to improve member  
experiences.**





AmeriChoice FCU, Upper Allen Township, Pa.  
Photo provided by HBE, St. Louis.

## Credit unions are finding new ways to think “inside the box” when designing brick-and-mortar branches.

Planning ahead to determine what will happen inside the branch box—the walls, roof, and floor—is essential to making branch investments pay off. Branch design experts say well-planned branches make the most of face-to-face interactions with members, boost employee efficiency, add flexibility and privacy, and build a stronger brand.

### Cut through the clutter

“The underlying trend driving branch design right now is that credit unions need to cut through the clutter,” says Chuck Bruney, senior vice president, professional services, at IBT, Atlanta. IBT provides design/build and consulting services for retail branches and is a strategic alliance provider of the Credit Union National Association.



Chuck Bruney

Bruney says consumers are bombarded with messages from all types of financial service providers, which often creates confusion. A branch counteracts that confusion when it delivers a clear brand message reinforced by face-to-face interactions with employees.

“The ‘wow’ factor is about creating a member experience that’s really unique,” Bruney says. Making the member say “wow” requires a convenient location, a comfortable interior, knowledgeable employees, and marketing messages demonstrating the credit union understands members’ financial needs.

“The winners are those that develop a focused member relationship strategy for selected segments,” Bruney maintains. “The losers will be those that issue undiffer-

entiated products and delivery systems indiscriminately to mass groups of members.”

### Offer a retail experience

Using the branch to offer a retail experience is a common aim for credit unions. David Jaeckels, vice president, design services, at Building Committee Inc. (BCI), Milwaukee, says it’s a misconception that a retail experience relies on coffee bars, trendy decorating schemes, or Internet access.



David Jaeckels

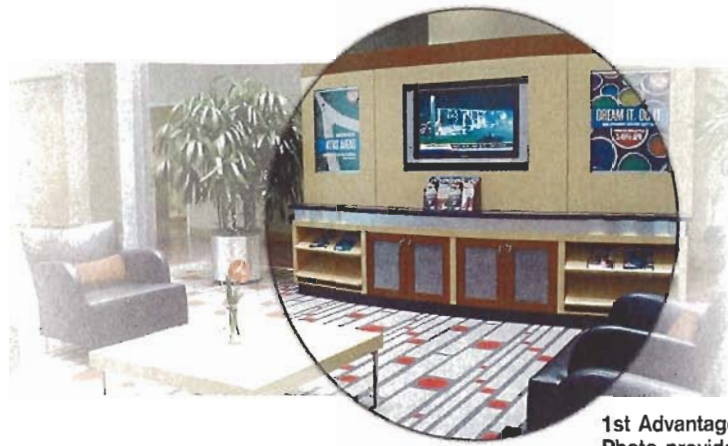
Those amenities can enhance the branch in the right setting, but Jaeckels says personalized service in an appealing environment always will be more important. He advises credit unions to use strategic planning objectives and membership demographics to determine which branch and retailing features are most important.

“Consumers have become much more selective about how they’re pitched products and services,” Jaeckels maintains. “Stakes are so high in the retail world that consumers have come to expect a high level of service and a quality environment.”

Jaeckels notes successful small credit unions serving a single select employee group (SEG) often are so connected with members personally that merchandising and retailing can be minimal. But credit unions with community charters may need a branch designed to

## FOCUS

- ▶ **Well-planned branches** enhance face-to-face interaction, employee efficiency, and branding.
- ▶ **Personal service in an appealing environment is more important than amenities.**
- ▶ **Privacy for members** within the lobby is an important consideration for CUs.



1st Advantage FCU, Newport News, Va.  
Photo provided by BrandPartners, Rochester, N.H.

showcase products and services to compete with a wider audience.

A study sponsored by Brickstream Corp., Atlanta, supports the notion that member service is more important than amenities. Conducted by A.C. Nielsen, New York, "The Value of Delivering a Better Branch Experience" study asked branch customers to rate their experiences.

The survey showed fast, error-free service in a convenient location is essential, according to Tom Chmielewski, Brickstream's vice president of marketing. He advises credit unions to "focus on fives." Aim for wait times of five minutes or less, transaction times of five minutes or less, and teller lines of no more than five people.



Tom Chmielewski

When any of those elements exceed five, member satisfaction plummets. For example, 95% of the 500 survey participants were satisfied with their experience if the wait time was five minutes or less, but that fell to 71% if the wait was six minutes.

When compared with wait times and line length, amenities such as coffee bars or children's play areas have a relatively minor role in increasing satisfaction, Chmielewski says. Just 4% of respondents would switch financial institutions based on such amenities.

"The branch isn't a Seattle Starbucks or a place you go to read a book," Chmielewski says. "It's a place to do business."

When the branch fails to help members do their business quickly and efficiently, it's unlikely members will be in the mood to listen to cross-selling member service representatives (MSRs).

Brickstream offers business intelligence software to analyze in-branch behavior. Chmielewski says few financial institutions accurately can assess the impact of wait time and staffing levels on their own. For example, branch managers who claim to know everything that happens in the branch often are surprised to learn some members leave the branch without making a transaction when they encounter long lines.

### Streamline interaction

Technology can help credit unions streamline their interactions with members to reduce wait times and reduce staffing requirements.

Pneumatic tubes, video systems, and cash dispensers add flexibility and improve efficiency when installed in the right locations and carefully introduced to members, according to Paul Barrath, vice president, financial facilities, and Tom Lombardo, national sales director for Clayco, a design/build firm based in St. Louis.

Remote teller systems, also known as "private video tellers," combine pneumatic tubes and video screens to access tellers physically located in another room. The systems increase security by removing easy access to cash from the lobby.

Some credit unions removed remote teller systems after members reacted negatively, but Barrath says stationing a live greeter in the lobby usually provides the human element members desire.

"You must be proactive," Lombardo adds. "Whenever someone walks in, you must have enough staff to work one-on-one with members to explain how to use [the remote teller system] during the first few months." One credit union assigned four employees to introduce members to remote tellers for the first three to four months.

Once the introductory period is over, remote teller systems reduce costs by enabling each teller to handle two or more member queues, similar to drive-up facilities where a single teller handles two or more lanes.

Cash dispensers boost productivity by automatically dispensing the cash involved in transactions, sparing tellers from counting out cash and simplifying teller station balancing. Cash dispensers typically enable the teller to handle three lines instead of two, Barrath says.

Branches that handle high cash deposits may use a cash recycler, which automates the handling of both incoming and outgoing cash.

Pneumatic tubes that deliver transaction requests to tellers can be located anywhere in a branch to add flexibility. For example, some credit unions equip MSR offices or lobby stations with pneumatic tubes. This allows



Anheuser-Busch ECU, St. Louis.  
Photo provided by HBE.

MSRs to open new accounts and handle members' transactions without leaving their stations. While the transaction travels through the tube, the MSR can introduce additional products and services to the new member.

Adding a cash dispenser to freestanding MSR stations located in lobbies equips MSRs to pitch in when long teller lines appear. The cash dispenser and remote teller are secure systems, so MSRs retain the freedom to walk away from the station to greet members or use a nearby teaching station to introduce online banking.

"The idea is to be more interactive with the member," Lombardo says. "It's more of a side-by-side process as opposed to the teller line becoming a barrier between" the employee and member.

Credit unions can assess branch flexibility by counting each option for obtaining teller services, often called a member "touchpoint." Barrath says a branch staffed by four tellers may include as many as 15 different touchpoints, including remote teller lines in the lobby, drive-up lanes, and MSR offices.

### Add privacy

Credit unions can reduce staff requirements further by using biometrics to automate access to safe deposit boxes. Jerry Patterson, senior vice president of sales for financial facilities, HBE Corp., St. Louis, says safe deposit boxes typically are tended by a dedicated employee who may be cross-trained to provide back-up to tellers or MSRs. The dedicated employee checks the identity of box holders, uses the credit union's key, and then allows the box holder to use his or her own key to open the box.



Jerry Patterson

Patterson says biometric systems that rely on hand recognition, thumbprints, fingerprints, or retina scans can verify box holders' identities. Biometrics converts physical characteristics into mathematical equivalents that can be stored and recalled. Because biometric scans are highly accurate, the credit union can rely on the scan and a single key to verify identity for box access, which turns

safe deposit box access into a self-service function.

Biometric systems also document when members access the box and track use to determine whether the credit union has enough boxes in the right sizes. That allows credit unions to open a branch with a small number of boxes in a variety of sizes and then expand based on actual use.

Flexible design also aids small credit unions, which may not be able to afford all the technology they want in a new branch, according to Sharon Morris, senior vice president at Design Build Concepts Inc., Atlanta.

The \$20,000 to \$30,000 cost of a cash dispenser can push a branch project over budget for a credit union with less than \$100 million in assets. Instead of installing a cash dispenser when the branch opens, Morris says the credit union may choose to put in the necessary wiring but delay installation until member use puts pressure on staff.



Sharon Morris

Some credit unions also are revisiting their promotion of self-service technology. They've recognized that offering three to four computers as part of a "technology center" where members can do their online banking is overkill, Morris says.

Instead, she recommends installing a single computer as part of a teaching station where MSRs can work side-by-side with members to introduce online services. Other self-service devices such as automated teller machines or telephone access to call centers may be available to serve members when lines grow, but the emphasis stays on face-to-face service.

Planning ahead enables credit unions to offer extended hours for mortgage services, investment counseling, and insurance sales. Morris' solutions include an entryway that can be barred and locked to separate these offices from the lobby and a separate outside entrance.

Within the lobby, Morris says credit unions want to offer more privacy to members. Instead of placing MSRs on a platform open on all sides, an MSR station might have a partial wall on two or three sides to discreetly shel-



1st Advantage FCU.  
Photo provided by BrandPartners.

ter personal information from people in the teller line. When drive-up tellers are located near the lobby, wireless microphones and headsets replace speaker systems that once broadcast members' business throughout the branch.

### Market the brand

While credit unions can pick and choose from elements to create a branch that best suits their member mix, their need to reinforce the brand will continue to provide a unifying element.

The branch exterior establishes a common look for multiple branches. In some cases, a common element may tie together the exterior. Some credit unions use a single prototype for all branch exteriors, although local building codes sometimes interfere.

When codes limit branding through exterior signs or design, interior branding takes on more importance.

The brand should be expressed throughout the

branch environment, according to Eduardo Alvarez, executive vice president and managing director, strategy and design services; and Courtney Grover, executive vice president and managing director, design/build services, for BrandPartners (formerly Willey Brothers), Rochester, N.H. Strategic goals will influence the brand's expression, especially when targeting a new membership segment, Alvarez says. In-branch merchandising clearly must convey the same messages used in advertis-

ing and other communications.

"The soul of the credit union should speak with one voice, even in different channels," Alvarez says.

In-branch merchandising should promote products and services aimed at specific groups using the branch. BCI's Jaeckels says video merchandising systems deliver

messages that can be updated quickly while reducing perceived waiting time to improve satisfaction.

Grover says the final step in creating the brand experience is hiring and training employees. In the past, standard branch design allowed MSRs and tellers to sit or stand at workstations and wait for members



Courtney Grover

to come to them. Today, retail branch employees must move about the branch to handle a variety of tasks and cross-sell a wide range of services.

"Staff need to be more extroverted and more sales-oriented so they can articulate products and services and reach out to people who enter the branch," he says.

### Reward trends

When the latest trends are combined within a retail branch, the result is an efficient, flexible facility that improves the member's experience. HBE's Patterson says that combination will reward the credit union throughout the life of the branch.

"If you can save the cost of a single employee over the 40-year life of the branch, you can knock down the term required to pay for that building from 40 years to 20 years," Patterson says. "If you can save the cost of two employees, you can knock it down from 40 years to 10 years. That's why efficiency is so important in building and design." ©

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## RESOURCES

- ▶ BrandPartners, Rochester, N.H.: 800-732-3999 or [brandpartners.com](http://brandpartners.com).
- ▶ Brickstream Corp., Atlanta: 404-745-3005 or [brickstream.com](http://brickstream.com).
- ▶ Building Committee Inc. (BCI), Milwaukee: 800-222-1509 or [bciusa.biz](http://bciusa.biz).
- ▶ Clayco, St. Louis: 888-429-3330 or [claycorp.com](http://claycorp.com).
- ▶ Design Build Concepts Inc., Atlanta: 888-201-6578 or [designbuildconcepts.com](http://designbuildconcepts.com).
- ▶ HBE, St. Louis: 800-234-9393 or [hbecorp.com](http://hbecorp.com).
- ▶ IBT, Atlanta: 770-381-2023 or [ibtsource.com](http://ibtsource.com).