

WISCONSIN BANKER

SEPTEMBER 2014

WISCONSIN BANKERS ASSOCIATION

FOUNDED 1892

New customer behaviors encourage banks to transform their service and branch models

By Amber Seitz

Just 15 or 20 years ago, the primary reason for customer branch visits was either cashing a check or making a deposit. Today, those and other fundamental customer needs can be accomplished without ever setting foot in a branch. Instead, customers come to the branch with a problem that needs solving or a particular goal to accomplish. "Today people are not coming in just for transactions," said **Todd Nagel**, president and CEO

of River Valley Bank, Wausau. "It's not transactional branch visits – it's meaningful. Customers come in with a specific purpose."

In response to this shift in customer needs and preferences, banks are changing the way they approach customer service in branches. One significant area of focus in recent years has been the inclusion of universal bankers and video tellers in the branch model. This adaptation allows some banks to deliver a more customer-focused branch experience.

So, who are universal bankers, why are some banks utilizing them, and why does this branch model work?



Who are Universal Bankers?

As teller transactions slow and customers look for more complex solutions during their branch visits, several banks have transformed that cross-selling role into a formalized position, often called a universal banker or hybrid sales representative. "The whole idea of universal bankers is really nothing new in banking," explained **John Halechko**, executive vice president – director of branch banking with Associated Bank, Milwaukee. "Bankers have always

looked to cross-sell to our colleagues. We just didn't have it named."

In most branch models that utilize the universal banker position, their primary function is to greet and interact with customers as they enter the branch, determine the customers' needs, and then either meet those needs or direct the customer to a banking specialist who can (for example, a mortgage banker or commercial lender). **Susan Doyle**, senior vice president of retail banking with North Shore Bank, Brookfield, said universal bankers are the "heartbeat of the branch." "Since they're the primary service and solution providers, their ability to connect with customers is vital for success," she explained.

"They create an environment that makes customers want to come back."

Typically, the transactions and services universal bankers are expected to perform include opening consumer and small business accounts, demonstrating self-service tools such as online or mobile banking, and traditional teller transactions (such as cashing checks and depositing funds). To help the universal bankers accomplish this, some branches include video teller stations and/or teller-pod stations in the lobby, as well. "A solid universal banker model is aided by a strong technology model," said Halechko.

(continued)



THE **EVOLUTION**
OF THE TELLER:
Changing the Face
of Banking



ADVOCACY. SERVICE. LEADERSHIP. SINCE 1892.

Teller Evolution

(continued)

“Customers want a multi-channel experience, so all of our universal bankers have to understand how to talk to customers about technology functions.”

Why are banks utilizing Universal Bankers?

Nagel explained the two main benefits he’s seen from implementing the universal banker model. First is the

.....
The whole idea of universal bankers is really nothing new in banking. Bankers have always looked to cross-sell to our colleagues. We just didn't have it named.

– John Halechko
executive vice president –
director of branch banking
Associated Bank, Milwaukee
.....

and feel comfortable.” Instead of walking in and immediately waiting in the teller line, with

are more fluid,” she said. “Employing universal bankers solves some of the declining teller productivity issues banks are experiencing, because they can provide value-added activities beyond transactions.” Another reason to use the universal banker model in branches is the potential reduction of square footage. “If you look at it from a footprint cost-efficiency standpoint, whether the branch has teller pods or an environment

the step directly from teller to specialized banker can be difficult. The universal banker role allows for a smaller step as they’re moving up.” In that way, the universal banker role can be a training role for staff who start as tellers but want to grow into different positions within the bank.

Why is this model successful?

As with any retail banking endeavor, customer service is a

THE EVOLUTION OF THE TELLER: Changing the Face of Banking



1932

▲ The old way of doing things: Teller line circa 1932.



'40s/'60s

▲ Original “mobile” banking: Drive-ins (1940s) and ATMs (1960s).



2014

▲ Today’s tellers: No teller line in North Shore Bank’s lobby.

.....
Today, people are not coming in just for transactions. It's not transactional branch visits – it's meaningful. Customers come in with a specific purpose.

– Todd Nagel
president and CEO
River Valley Bank, Wausau
.....

elimination of teller lines. “No one likes to walk into a lobby and wait,” he said. “It doesn’t matter if you’re in a doctor’s office, a hotel or a bank. People want to walk in

the universal banker model customers are greeted by bank staff as soon as they enter. “It flips the whole interaction,” he said. The second benefit is increasing the level of expertise at the branch while reducing the number of staff. “You don’t necessarily save money, but you deliver a much better customer experience,” Nagel said.

Doyle has seen similar staffing benefits. “You can run a branch with a leaner staff because job responsibilities

without a teller line, branches with universal bankers can be built with much less square footage,” Doyle explained.

Halechko agrees that the universal banking model allows branches to meet customer needs while still maintaining efficient staffing models. He also said it is beneficial for bank staff. “Our tellers are the bedrock of banking. They see more customers face to face than any other colleague and they want to be developed,” he explained. “But taking

key component to the success of the universal banker branch model. “What really drives this model is the customer service,” said Doyle. “Unless the model is beneficial to the customer, it doesn’t work. The universal banker model helps us create that unique experience customers are looking for.” It has also allowed her bank to adapt their delivery model to their customers’ needs, including the ability to leverage human resources efficiently

(continued)

Teller Evolution

(continued)

enough to be open about 30 more hours per week since the universal banker model was fully implemented.

The unique experience customers are looking for during a branch visit doesn't usually involve making deposits and withdrawals anymore, either. "We still have branch traffic, but it's for different reasons. Customers have questions and problems to solve," explained Nagel. "We've seen customers walk into the bank, get a service issue taken care of, and then walk outside and stop at the ATM."

Customers enjoy the seamless experience provided by the universal banker model, according to Halechko. "They come in and are served by a universal banker in the teller line or on a platform, depending on their needs," he said. "This model positions our bankers to have short wait lines, and allows our customers to speak with a more highly trained workforce that can handle teller transactions and other basic account actions, so it's seamless to the customer."



Steps to introduce Universal Bankers into your branches

Before making the decision to implement a universal banker position in your branch network, the first step is to determine if this model is the right fit for your customer base. "Universal bankers are not the best fit in every branch," Halechko cautioned. "Look at your customer transaction patterns." If your customers still primarily use the branch for transactions (rather than ATMs or online banking), then the teller model will probably still be your most efficient option. Consider launching a pilot program in a small number of locations. "We used the feedback from that test case to develop the whole program," Halechko explained.

It's also important to establish a workforce management program, which will help you determine the most effective way to integrate universal bankers into your branch model, according to Halechko. "It's important to have a good workforce management program," he said. "Along with understanding

•
You can run a branch with a leaner staff because job responsibilities are more fluid. Universal bankers provide value-added activities beyond transactions.

– Susan Doyle
senior vice president
of retail banking
North Shore Bank, Brookfield

•
customer habits and how they use your services, a scheduling tool will help you determine when to deploy the right colleagues during times when customers need it the most." These metrics will help branch managers determine what times of day to staff more tellers and when more universal bankers are needed.

When analyzing customer patterns and staffing needs, be sure to involve every customer-facing department in the bank. "We worked with customer support, HR, IT, and retail banking and discussed which specific transactions the universal bankers would handle and what we could do from a technology standpoint to streamline what is required of the universal bankers so they can focus on customers,"

said Doyle. "It was a collaboration of a number of departments at the bank."

Ultimately, establishing a universal banker model will depend on the needs and goals of each individual institution. Nagel said their goal is to take more operational work out of the branch and leverage technology, all with the customer in mind. "We're making banking less intimidating," he said. "We sometimes forget that our customers don't know all the answers to their questions, but we do." Universal bankers are one way banks make their customers feel more comfortable while getting those answers.

Seitz is WBA Communications Coordinator.

The Wisconsin Bankers Association is the state's largest financial industry trade association, representing over 270 commercial banks and savings institutions, their nearly 2,300 branch offices and 23,000 employees.

Wisconsin Banker is published monthly by the Wisconsin Bankers Association, www.wisbank.com.