

The latest retail delivery tools create collaborative branch spaces.

The Branch as a Sales Tool

PATRICK TOTTY

HOW DO PEOPLE perceive financial institutions differently today?

“The old image was huge columns, a stout building, and a big vault door that was almost a work of art,” says Scott Carter, senior vice presi-

The result, says Carter, is “collaborative space” where there are no teller lines and the lobby becomes a stage. “Credit unions are embracing a collaborative environment where there are no more barriers between

can I get? Ease of getting information could move a member to a decision, so the technology is another tool to draw them in and help the credit union get bigger wallet share.”

Carter says if members have poor experiences and perceive credit union quarters as stodgy, cramped, and confined, they’ll be less likely to come in.”

John Hyche, senior vice president of strategic consulting at LEVEL⁵, Atlanta, a Credit Union National Association (CUNA) strategic alliance provider, agrees most credit unions taking a retail approach are asking for “dialogue delivery methods,” such as teller pods vs. teller lines. “These tools allow machines to handle mundane transactions while the credit union creates a service-centric culture. When done well, an employee greets you at the door, calls you by name, and engages you in a dialogue while escorting you to a transaction point.”

If, for example, a member mentions in passing that his air conditioner broke, he continues, “the employee can use that as a selling opportunity, mentioning a low-cost home improvement loan.”

Hyche says, “the credit union has to think about

how members move through [the lobby] and position marketing messages accordingly. When done properly, the facility communicates the credit union’s messages and becomes a prop for member service representatives to communicate the messages actively.”

Ready to jump?

With retailing technology, credit unions can offer the same services as the biggest banks, says Shaun Pond, senior vice president at IBT Enterprises, a Norcross, Ga., CUNA strategic alliance provider. But sometimes credit unions aren’t ready to use the technology.

“That’s why we’ll typically design a space to be able to accommodate teller pods and a different floor configuration in the future if a credit union isn’t currently ready to [offer them],” says Pond. “My job is to present options. We’ll often go through 20 or 30 iterations of a branch design before the client settles on a final design.”

Pond says branch design and retail technology vendors should have clients visit other credit unions. “They might talk to a credit union that eliminated teller lines to gauge its success and discuss what to be aware of.”



This service kiosk at USA CU, Auburn Hills, Mich., has a glass privacy barrier that allows two tellers to work with different members. LEVEL⁵ designed the CU’s branch.

dent of design and construction at Consultants and Builders Inc., Duluth, Ga. “Now, with electronic transactions, a look of solidity is less important than an air of modernity and efficiency. Architecture has shifted to opening up, with lots of glass and the ability for people to look inside and see the action.”

At night, he says, with branches lit up “and producing pop and punch,” they become sales tools.

workers or between tellers and members. Teller pods allow members to sit face-to-face with tellers in a relaxed, open environment.”

Plus, he says, dynamic, interactive displays and posters reinforce branding. “Their message is, ‘You’re one of us’ or ‘We’re part of the community.’ Members can use touchscreens to ask questions: What are the current auto loan rates? How big of an equity loan

He also counsels credit unions to understand their own motives. "We don't ask at first how big a branch is going to be and when it should open. Instead, we ask, 'What do you want to be able to brag about in one year? Increased membership or wallet share? Sales of new products?' Drill down to find [your] purpose and intent for a new branch."

Hyche says moving to a retailing concept often involves a change in core

identity. "Many credit unions are [becoming] full-fledged community credit unions. They need new strategies."

He says LEVEL⁵ is helping to rebrand a credit union that has realized it can benefit from new colors, name, logo, Web site, and collateral. "It will be a radical change as the credit union [moves to] a community charter."

How do credit unions deal with members who may fear drastic change?

"We've run focus groups to investigate the reception to this change," says Mike Colvin, senior vice president of marketing/sales at LEVEL⁵. People may be "resistant because they fear losing a trusted, comfortable relationship. But our studies tell us that folks from the community at large are unaware of the credit union's existence, so they have no stake in the old identity. While the credit union doesn't want to alienate its [traditional]

members, it has to gently point out there's no place left for it to go. If it doesn't grow, it will die."

'Onstage' presence

Carter says a "collaborative" lobby layout makes new demands on employees. "It's almost like being onstage, so you have to create an onstage vs. off-stage presence. I compare it to how Disney characters conduct themselves: Princess Jasmine would never smoke in front

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of park guests. That's reserved for offstage areas. In a credit union, you don't have people sitting at their desks eating noodles on lunch break. Instead, you have a break room set aside for eating and another space for private phone conversations. But when employees are 'onstage,' they give members their full attention."

Another key to employee acceptance is letting employees see how the technology can fit well into their work. "We recently dealt with a credit union employee who, when it came to the new technology, was a grumpy, resistant

stick-in-the-mud," says Hyche. "But she also liked helping others. So when we showed her how the technology would increase her ability to help others, she stopped resisting and became a fan."

The upshot, says Pond, is that you can acquire all the technology you want, but if members don't use it, it's a waste of time. "It's like giving a Porsche to a person who doesn't know how to drive a stick shift. You have to show members how to use it comfortably."

He cites one credit union that has new members sit with an employee and watch a

demo of available service channels, products, and features. This shows the credit union is available to answer questions anytime. "The key to making the experience good for members is to make it comfortable and efficient."

Colvin offers one argument clients grasp immediately: "Transactions cost

money. By providing technology that makes transactions cost-effective, branches go from being cost centers to retail and sales centers."®

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RESOURCES

► CUNA strategic alliance providers:

1. IBT Enterprises, Norcross, Ga.: 770-381-2023 or ibtenterprises.com.

2. LEVEL⁵, Atlanta: 404-761-0008 or level5.com.

► Consultants and Builders Inc., Duluth, Ga.: 888-729-8183 or consultantsandbuilders.com.

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