



# PAVING YOUR PATH TO BRANCH TRANSFORMATION

Three channel performance management tactics to succeed

An NCR and INTECO white paper



# Overview

While branch banking continues to play a critical role in overall channel strategy, many financial institutions are repositioning their branches as destinations primarily visited by consumers for complex transactions, product sale completion and advice. By shrinking the physical footprint of the branch, adopting a sales attitude and evolving the branch network to align with growing digital consumer habits, the branch channel will continue to play a key role in expanding customer wallet share, driving new revenue streams and supporting a positive ROI.

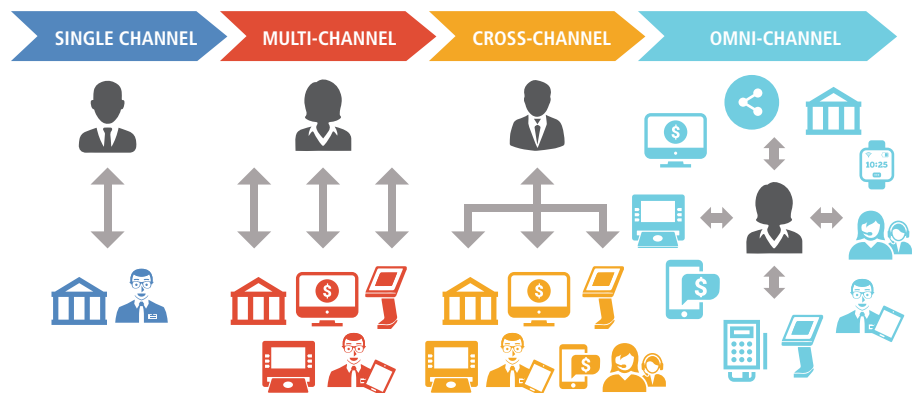
Success in branch transformation starts with laying the groundwork to reach an “all systems go” nirvana. Investment in channel performance management software not only ensures all banking systems and devices are successfully functioning, but also enables banks to easily develop new digital products, seamlessly plug and play third party offerings through API's, and process all types of omni-channel consumer interactions without the risk of service disruption.

This whitepaper explores the best channel management practices to enable branch transformation success.

It outlines key adaptations to your existing channel performance management approach that will help support the integration of digital migration and branch transformation strategies.

## THERE ARE THREE RECOMMENDED AREAS TO FOCUS ON:

- Device management: Know and understand your self-service devices
- Transaction management: Unlock the value of customer transaction data
- Cash management: Be on top of your cash flow movement



# Reimagining the branch

## Empowering the front line staff

Today's branch is being restructured around assisted service technology models.

Great investment is being made into technology that supports a proactive sales "front line" staff and personal bankers. Equipped with mobile tablets, service kiosks and digital signage, these advice givers can walk right up to customers, display and review transaction histories on-demand, and access all of the service applications and physical touchpoints in the branch using an interface that can be carried or docked at their desktop.

The diverse channels and applications used by customers to execute transactions, access lending or advicebased product intelligence, request information or make appointments means branch staff also need ondemand access to omni-channel customer data and the various applications needed to track and review requests, resolve issues, conclude transactions, respond to enquiries, approve product purchases, and the list goes on.

Having access to customer transaction profiles will also help channel managers and other business users that wish to build out more effective business strategies based on a deeper understanding of customer usage patterns, service availability impact and revenue breakdown.



# Reimagining the consumer

Fitting into the day-to-day convenience of digital life

Many of the day-to-day consumer banking transactions, product research and account queries are moving away from the physical branch.

Consumers are opting to interact through more convenient digital channels, wearable IoT devices, social media and self-service devices such as ATMs or kiosks.

As consumers become more digitally inclined, financial institutions are adopting more sophisticated self-service devices that can operate remotely and support a wider variety of third party value-added services, video enabled capabilities, and personalized product promotions. This is all necessary to fit into the day-to-day life patterns of the digital consumer, and grow wallet share as naturally as possible.



# Key branch strategy initiatives

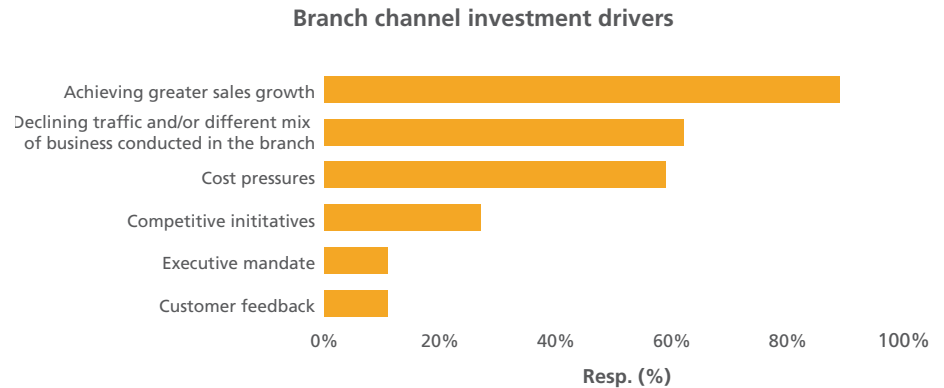
Today's branch strategies are being driven mainly by efficiency, consumer experience and revenue growth.

In a recent survey conducted by the Celent Branch Transformation Research Panel, 89% of respondents indicated achieving greater sales growth was driving their branch transformation initiatives. The survey also found that the majority of banks were dealing with a different mix of business conducted in the branch.

## MAJOR AREAS OF ONGOING BRANCH TRANSFORMATION INCLUDE:

- Supporting an omni-channel customer experience
- Optimizing the channel service mix
- Lowering the cost-to-serve

Figure 1: Accelerating Sales Growth is the #1 Driver for Branch Transformation



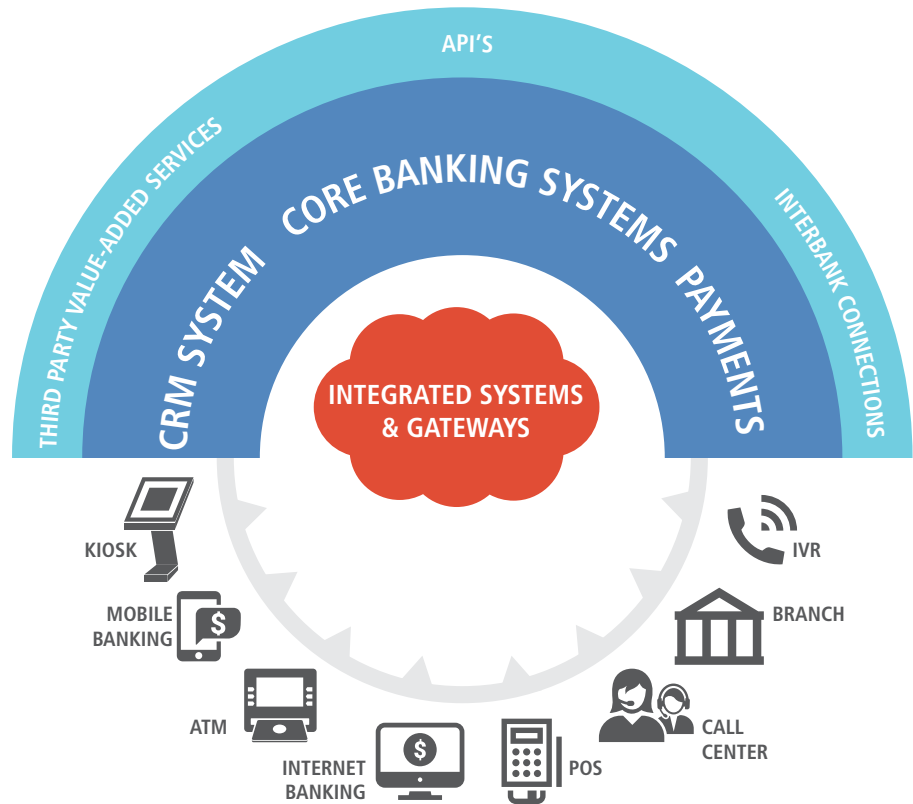
Source: Celent Branch Transformation Research Panel, June 2015, n=41, Q: What are the significant drivers shaping your institution's planned or anticipated investment in the branch channel? (choose up to three)

# Supporting an omni-channel customer experience

## There is a growing diversity in consumer banking preferences.

Many financial institutions are looking to provide a consumer banking experience that feels “easy” and effortless. Supporting this type of experience requires all physical and digital interactions, across all self-service points and banking channels, to be seamlessly merged and integrated.

Deeper technology investment, rooted in assisted technologies such as tablets, opens the door to instant service gratification. More robust customer experience analytics and data analysis platforms will also help boost the sales component and interactivity of the sales front line staff and personal bankers. Accessing this real-time data is the key to providing service and product advice on any device in any location at any time.



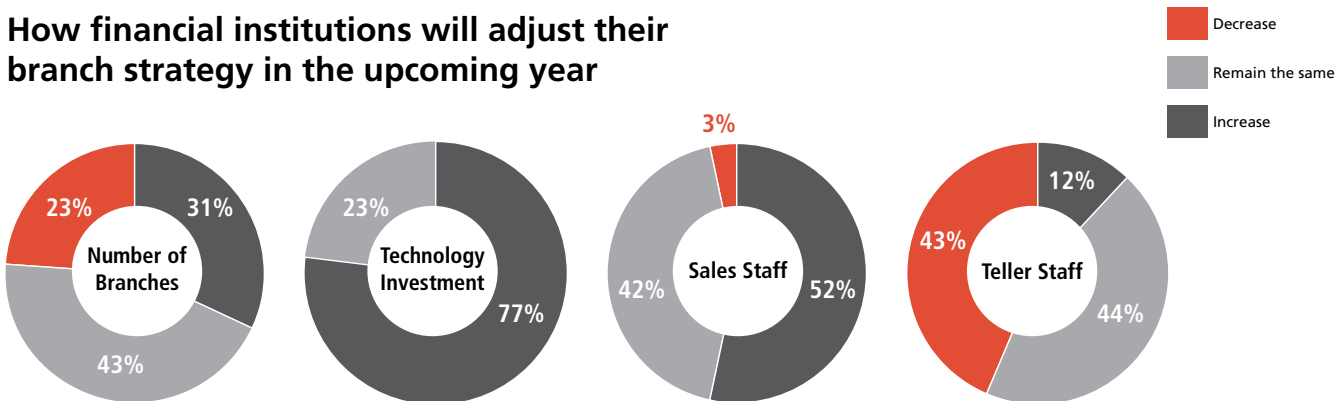
# Optimizing the channel service mix

Uncovering new revenue streams and expanding customer wallet share requires financial institutions to deliver consumers the right channel with the right service offerings, available at the right time.

This translates into 24 hour convenience, with the choice of self-service, assisted-remote or direct-human services.

Customer-to-product-to-channel personalization also requires timely access to customer data and the ability to quickly adopt new models for servicing, cross-channel purchases and establishing customer relations. Integrating interactive components such as video tellers into the channel service mix will help financial institutions expedite customer sales motions, with a remote expert ideally having access to a customer's digital footprint, and controlling native applications such as signature capture for loans and mortgages, or the imaging of documents.

## How financial institutions will adjust their branch strategy in the upcoming year





## Lowering the cost-to-serve

Financial institutions are looking at adopting new assisted service technologies and transforming front, middle and back-end business processes to maximize branch staff sales effectiveness, free up human time and reduce operational costs.

Digital and self-service channels complement these efforts by offering a cheaper, more efficient way of handling low value, high volume consumer transactions that were traditionally performed by branch tellers.

In addition to common interactions such as withdrawals and deposits, there are a growing number of additional value-added services being migrated to digital and self-service channels, all in efforts to improve digital convenience for consumers. Together, these channels seamlessly support the consumer crosschannel buying process (i.e., reviewing products on a mobile device, or submitting mortgage applications via the internet but purchasing at the branch), and tend to expedite the conclusion of a product purchase in the branch—while lowering the cost of the end-to-end buying cycle.





# Integrating digital migration and branch strategies

Embarking down a path of digital migration is necessary to survive.

And this requires financial institutions to rethink what it takes to successfully operate these new, digitally dominated branch environments. This includes offering seamless continuation of crosschannel buying processes, running advanced applications, assisted service technology and digital touchpoints, and providing staff with omni-channel visibility into the consumer experience.



MORE CUSTOMER TOUCHPOINTS



SMALLER PHYSICAL FOOTPRINT



EXPLODING DIGITAL DATA (MOBILE ONLINE, DEVICES)



LESS TELLERS, MORE DIGITALLY-ASSISTED SERVICE MODELS



MORE SELF-SERVICE CONSUMERS



CENTRALIZED ON-DEMAND OMNI-CHANNEL ANALYTICS

# Adaptations to channel performance management strategies

Implementing front line empowerment and digital convenience initiatives means the bank branch has taken on a new level of operational complexity.

If these changes to customer service and relationship models are not managed right, all the work to improve branch efficiency and customer experience will be off loaded by a massive amount of support cost, service delivery headaches and consumer dissatisfaction.

This is why leading financial institutions are considering adaptations to fundamental channel performance management strategies that support an integrated digital environment and provide visibility into the consumer experience from an omni-channel perspective.



# Adaptations to channel performance management strategies

Tools that help improve self-service device availability, manage the performance of service applications such as mortgage or loan applications, mobile applications or third party billing applications, and predict cash flow movement are not a “nice to have” anymore, but a “need to have.” These tools are key to guaranteeing that a consistent brand experience is delivered—no matter what digital or human touch point is being used, and where the transaction is being routed.

Channel performance management tools and tactics are not a sexy investment, but they are the underlying groundwork tools that make sure all things digital are running smoothly and seamlessly in the background, without consumer disruptions. These tools will enable branches to show off new digital capabilities, provide efficient resolution to operational performance issues and support the expansion of revenue streams.

## **WHEN IT COMES TO MANAGING DIGITAL MIGRATION AND BRANCH STRATEGIES, THERE ARE THREE RECOMMENDED AREAS TO FOCUS ON:**

- Device management: Know and understand your self-service devices
- Transaction management: Unlock the value of customer transaction data
- Cash management: Be on top of your cash flow movement

# Device management

## Know and understand your self-service devices

If you look around a transformed bank branch, device management is not only about managing the traditional ATM fleet. It is now about holistic, self-service management that extends to video teller machines, additional self-service kiosks, and key branch technologies.

Device management technology has evolved to much more than just alerting or availability incidents. Solutions can now be implemented that perform advanced remote diagnostics, and automate processes from ticket creation, to technician arrival, to problem resolution. Robust mobile interfaces and customizable dashboards provide a single view into the consumer experience, while allowing operations teams to manage the self-service channel in real-time, significantly decreasing problem resolution time and support costs.

Immediate awareness to when devices are not working the way they should, or transactions are failing or being bottlenecked, will help ensure that all branch technologies are reliable, and ready for consumer interaction, 24X7.

# Transaction management

Unlock the value of customer transaction data

Digital transactions can be coming from self-service devices such as an ATM or an Interactive Teller Machine, but they may also originate from other sources such as online, mobile, call centers, branch teller tablets or personal banking services.

Although most financial institutions have views into payment transactions that make it to the switch, digital transformation means it is time to rethink that view, and expand it to include the performance of more complex, multi-hop service transactions such as mortgage applications, loan applications, instant teller or video kiosk services, and new data form submissions coming from any of the mobile, online or assisted technology applications.

Using a transaction monitoring solution that can provide a real-time, omni-channel view into all consumer activities is the key to making better business decisions.

**THIS SOFTWARE ACTS AS A CENTRALIZED TRANSACTION HUB, PROVIDING UNLIMITED ACCESS TO THE CUSTOMER USAGE DATA, END-TO-END TRANSACTION PERFORMANCE DATA, AND DATA VISUALIZATION TOOLS THAT CHANNEL MANAGERS AND OPERATIONS TEAMS NEED TO:**

- Monitor all things digital from one centralized transaction data hub
- Build out customized omni-channel dashboards that offer a business lens into end customer experience, multi-channel profitability and operations performance
- Analyze timely customer usage and card analytics data to uncover new revenue streams, detect program cannibalization and better align customer-to-product service offerings

# Cash management

## Be on top of your cash flow movement

Cash is still the most prominent form of payment, even in the world of digital banking.

But it comes with its own set of challenges such as managing regulatory changes, responding to economic fluctuations, preparing for rising consumer usage and adopting new cash touchpoints.

With all these ever-changing factors, one cash out experience is one too many—it negatively impacts consumer experience, and can be devastating for both loyalty and bank reputation.

Cash flow management and predictive analysis solutions enable financial institutions to optimize their cash positions and respond to these challenges in the most agile manner. These solutions enable FI's to take full advantage of the highest return on investment for their cash supply distribution channel whether an ATM, a branch, or a vault.

**WITH A DEEPER UNDERSTANDING OF CASH UTILIZATION, FI'S CAN AVOID CASH OUT EXPERIENCES, AND GENERATE MORE REVENUE THROUGH KEY FUNDAMENTAL TECHNIQUES SUCH AS:**

1. Forecasting to anticipate cash needs
2. Cost optimization to create a perfect balance of supply/demand/inventory
3. Process automation to automate transport scheduling
4. Increased visibility to determine the lowest cost of operation



# Summary

Digital migration within the branch is about improving consumer convenience and giving branches the opportunity to improve or reestablish their role as an advisory center.

It's about lowering the cost to serve by migrating less complicated services and transactions over to ATM, online or digital channels. It is NOT about getting rid of the human component. On the contrary, sales front line staff and personal bankers will play a larger, more proactive, more knowledgeable role than ever before.

The challenge is to create service offerings and deliver them so that each consumer gets the experience they want, accessible through either an all-digital, a face-to-face, or a cross-channel combination of banking interactions. Delivering this type of personalized experience requires the ability to track digital footprints, analyze consumer data and make timely service adjustments that are relevant to the consumer.

## THE BENEFITS OF ALIGNING CHANNEL PERFORMANCE MANAGEMENT WITH DIGITAL MIGRATION AND BRANCH TRANSFORMATION INITIATIVES INCLUDE:

- An undisrupted omni-channel consumer experience across all self-service points, assisted service technologies and channels
- The ability to deliver the optimal channel mix for each customer, with a deeper understanding of cash flow movement
- Increased staff effectiveness, lower operational support costs and full visibility into service delivery and the end consumer experience



## Why NCR?

NCR Corporation (NYSE: NCR) is the global leader in consumer transaction technologies, turning everyday interactions with businesses into exceptional experiences. With its software, hardware, and portfolio of services, NCR enables more than 550 million transactions daily across retail, financial, travel, hospitality, telecom and technology, and small business. NCR solutions run the everyday transactions that make your life easier.

NCR is headquartered in Duluth, Georgia with over 30,000 employees and does business in 180 countries. NCR is a trademark of NCR Corporation in the United States and other countries. The company encourages investors to visit its web site which is updated regularly with financial and other important information about NCR.

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