

# IN SYNC

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*Technology has shifted how credit unions operate, necessitating branch redesigns to complement these changes.* BY LISA MANFIELD

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Countless studies have documented how banking habits are changing but all you really have to do to see the evidence is look inside a credit union branch. Long teller lines have been replaced with meeting spaces for higher-value financial advisory services, with advances in technology enabling customers to do simple transactions online anytime, anywhere. So what does the future look like for branches? And what does that mean for credit unions today?

Island Savings, a division of **First West Credit Union** (250,000 members, \$11 billion in assets), was exploring those very questions back in 2010 when it approached Ratio, a Vancouver-based architectural and interior design firm with extensive experience in the financial sector, with the idea of a branch redesign. But it wanted more than just an aesthetic update. “They said, ‘we want you to come up with ideas for our branch of the future,’ ” says Chris Pollard, principal at Ratio.

Island Savings had been in business for 60 years in British Columbia and its 16 branches had a deep connection to the communities in which they operated. “But they didn’t have consistency across the system, so you might not have recognized the brand from branch to branch,” Pollard says.

An even bigger issue for the credit union was how it would continue to operate and generate business given the changing nature of banking. “Like all financial institutions, we have seen a decline in our in-branch transactions,” says Peta Wales, senior vice-president, operations at First West. “Despite our member growth, the rapid adoption of online and digital services has reduced the need for large areas where over-the-counter transactions take place.”





So First West, including its divisions: Island Savings, Envision Financial and Valley First, embarked upon an exercise to look at the business holistically, says Pollard. "Making changes to a physical space depends on operational rethinking: how to serve customers, the kind of staff to recruit, how staff should be trained and how to integrate technology into the branch environment in a way that engaged customers and staff together."

With simple transactions taking place online, branches are becoming a place for higher value, advice-based interactions across the spectrum of financial services offered in the areas of day-to-day banking, lending, investments and insurance. The redesign of many of First West's branches leveraged those interactions. "This was the basis for every design decision made," says Pollard. "The branch design puts people, both members and staff, front and centre and every operational decision was based on promoting these relationships."

The redesign created an open members' space, meeting rooms and member-facing offices. "Each renovated branch has certain iconic elements," says Wales. "This includes a welcoming reception area and member hall where members can relax, enjoy the use of one of our tablets or learn about our offerings via our touchscreen wall monitors." The teller, or member service adviser, area reflects a more "efficient and modern use of space while our community area is where members can learn more about how we are serving in our community," Wales adds.

Redesigned branches all include movable walls, which can be taken apart and moved around according to branch and community needs. "There's a community space in each branch but each one looks different depending on the needs of the community," Pollard says. "For example, downtown Duncan's Island Savings branch has bookable board space for community organizations. Some branches have a community table, or break-out community space. They really doubled down on the individual community approach."

Office spaces are friendlier and more interactive, too. "We transformed advisers' offices into member-focused spaces by eliminating the traditional 'meet-across-the-

desk' scenario," Pollard says. "The new office design is focused around a meeting table with wall-mounted interactive technology to allow members to view service offerings, view their own accounts and participate in seminars with their advisers."



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CHRIS POLLARD



CHRIS POLLARD  
PRINCIPAL, RATIO



PETA WALES  
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### The Future is Friendly

The concept of a branch of the future has been discussed for more than a decade, according to Paul McAfee, CEO at **Community Savings Credit Union** (11,000 members, \$454 million in assets) in Greater Vancouver. McAfee also spent 12 years at Island Savings and six years with North Peace Savings and Credit Union in Fort St. John, BC. "For me, the branch of the future is more about understanding the demographic you want to provide services to and building a physical branch to match that particular image for your membership."

Just a few decades ago, credit union branches mostly had the same design:

a teller line and offices. "Today, there is so much more we can integrate," McAfee says. "There's all kinds of different technology you can put in your footprint now, like Internet banking computers in the branch. The traditional style still works in a lot of cases; you may still have a membership that comes in but you may not need eight wickets, just four. It's about what experience you're trying to deliver versus what transaction you're trying to get done. If someone is going to come into the branch, my hope is that experience in the branch is valuable," says McAfee. "So how do we invest in physical layout to provide a great experience for members?"

For Community Savings, the approach was to create a new service model for a branch that was moving to a new location and then template it for additional branches. The new branch was designed to offer personalized service in a comfortable environment. "The traditional teller lineup was a relic of the past," says Cam Gillett, senior manager of operations at Community Savings. "It's not relevant to the way people bank. We wanted to be more relationship-focused. If someone wants to talk about a term deposit, for example, they

don't want to jump from person to person, nor should they have to," Gillett says.

Community Savings wanted to replicate the comfortable feeling of home within their branch. "We wanted a kitchen or a living room feeling. We developed this specific service model to replicate the way you have conversations at home; to

bring that comfort into the interaction to put people at ease," Gillett says. "So we created spaces with a table and chairs, sofas and reclining chairs, or sitting around a coffee table. Rather than staff having desktops, they all have laptops and can move to a more intimate setting."

The result is that both staff and members love the new branch, Gillett adds. "We didn't lose a single member in the move and we have always lost members during moves. Members have responded positively and sales haven't dipped at all."

For some credit unions, particularly those in more remote areas, the branch of the future may simply be about downsizing or decentralizing. For **Aldergrove Credit**

**Union** (18,000 members, \$800 million in assets), where foot traffic has significantly declined, it's been about adapting to a smaller footprint. "Branches were still doing transactions but more of a focus is heading toward financial advice," says CEO Gus Hartl. "So we're trying to streamline all of the back office routine work out of the branches so that branch staff are strictly dealing with member interactions. We want branch staff providing financial advisory services, not doing paperwork that takes them away from meaningful conversation."

**At North Peace Savings and Credit Union** (13,000 members, \$514 million in assets), which won an award for the design of its Dawson Creek branch, decentralization enabled staff to provide services to geographically dispersed members. "We basically took the organization from a branch-like model to building it out as a decentralized model where all staff could provide service to any member in any location or remotely," says McAfee. "We integrated interactive teller machines and video banking solutions into the branches and rather than having a call centre, we used all branch network staff."

### Future-proofing branches

Despite its name, the "branch of the future" is really more a reflection of current needs than future trends, which will continue to unfold and evolve. "It's about maintaining a modern member experience," McAfee says. "You have to continually revisit that. A physical branch should add to that experience and not take away from it."

Adaptability to future trends also comes down to flexibility, particularly in branch design. "Flexibility of space is the branch of the future," says Gillett. "What exists is the potential for change. The way you serve members will evolve over time with trends in member service and technology. Member needs and how they want to get services will drive the branch of future. Staff have to be flexible and if service models change, you can modify your location."

For Pollard, future-proofing is also about scalability. "For credit unions, the branch of the future meets financial service expectations through a hub-and-spoke model," he says. "Branches are scaled to meet service requirements."

The branch of the future plays a role in the community, providing flexible space to community groups, small business owners and group meetings or educational seminars. Branch design may reflect a network brand but offer a local feel. It's all about the customer, from delivering the kind of service they want, how they want it, seamlessly from online to branch, where the physical branch is an inviting environment for one to one high-value transactions."

Pollard also believes that meeting future needs requires a commitment to staying connected with members, something credit unions already do well. "By staying connected to their customers, credit unions will understand why people still want to come into branches. When a client comes to us and says, 'we've leased a new space and we want to do a renovation', or 'can you help us find a new space?' we take a step back and look at where they want to be in five or 10 years. Because the decisions you're making now have a massive effect on what you're able to do in the future." ■



CLOCKWISE FROM TOP LEFT: ALDERGROVE CREDIT UNION; ISLAND SAVINGS, CHEMAINUS; COMMUNITY SAVINGS CREDIT UNION; COMMUNITY SAVINGS CREDIT UNION.

