GLORY

# Assisted Service Technology:

Harmonizing the Branch, Part 1

# ASSISTED SERVICE TECHNOLOGY:
# HARMONIZING THE BRANCH, PART 1

This whitepaper is organized in two parts. Part 1 introduces and differentiates assisted service technology [AST] as an in-branch transaction processing alternative to a 'live' teller. It also explores changes in the way financial institutions (FIs) will interact with customers visiting the branch. Using the metaphor 'Harmonizing the Branch', assisted service technology enables a balanced customer experience between the digital and physical aspects of retail delivery. Part 1 also examines the potential value and impact of an assisted service solution, both to the bank as well as its customers, under the general heading 'Hitting the Right Notes'.

**IN MUSIC, HARMONY IS DEFINED AS "THE SIMULTANEOUS COMBINATION OF TONES, ESPECIALLY WHEN BLENDED INTO CHORDS PLEASING TO THE EAR."**

# ASSISTED SERVICE TECHNOLOGY:
## HARMONIZING THE BRANCH, PART 1
### [continued]

As new, potentially game-changing, technologies continue to emerge in the banking industry, it becomes more and more difficult to determine which will best help a particular bank or credit union exceed their retail delivery expectations. As an industry leader in branch automation solutions, Glory has worked with hundreds of financial institutions in thousands of branches of all sizes and types, and we are happy to bring this experience to you by sharing insights to help you sort through the confusing array of technology options for transforming branch delivery.

Seemingly similar solutions bring very different types of service delivery and operational impact. Today we are focused on the emerging 'in lobby kiosk', which in different configurations may be called 'Interactive teller', 'in-lobby teller', 'assisted self-service', and many other names. In general, these labels describe a kiosk, situated within the normal service area of a branch, that can receive cash and check deposits, dispense cash and complete a number of other transactions that are normally performed by a teller. Some solutions are simply ATMs placed in the lobby; others replace on-site tellers with remote staff members connected via video; others connect and perform in a mode that encourages self-service but retains on-site service staff to support the

client experience. Each solution approach has a different focus, different costs, and provides an entirely different client experience. Understanding the differences in client experience, support requirements and operating costs, and matching those with your specific retail delivery priorities, will lead you to the right technology decision for your financial institution.

For the purpose of this paper, we will discuss full-function in-lobby solutions under the general label of assisted service technology [AST]. We will focus on the impact of assisted service technology as an alternative approach for delivering in-branch customer service (teller) transactions.

# A NEW
## SHEET OF MUSIC

A common theme in banking is that customer and member "self-service", through online banking, mobile, and ATM channels, is changing the role of traditional bank branches from transaction hub to financial service center. Estimates vary, but there is general consensus that 50% of transactions conducted in branches 10 years ago are now conducted through self-service channels. This shift is very attractive for FIs, as it can result in dramatic operational cost savings. According to some estimates, it is up to 95% less expensive to process deposits digitally than through a traditional teller.[1]

All this adds up to less staff requirement for high volume transaction processing, freeing employees for customer engagement on more complex financial needs or in problem resolution matters. This is a timely shift of role: studies also show that customers strongly prefer and expect face-to-face engagement in these types of situations. Per Accenture's 2016 North America Consumer Digital Banking Survey, "87% of consumers will use their branches in the future – and want human interaction when they go there."[2]

## "87% OF CONSUMERS WILL USE THEIR BRANCHES IN THE FUTURE – AND WANT HUMAN INTERACTION WHEN THEY GO THERE."

Source: Accenture Consulting

# HITTING THE
# RIGHT NOTES

**Accenture predicts that "The branch of the future will pivot from note transaction processing to high-end servicing, seamlessly combining person-to-person and digital banking experiences."** [3]

With fewer branch visits today, each customer engagement opportunity becomes more important. That is why delivering a harmonious in-branch experience is critical, more so today than ever before. Many FIs are adjusting to this trend with staffing models that expand customer service responsibilities as compared to the traditional teller role. These new branch bankers are often called Universal Bankers or Universal Associates. They are trained to address a wide array of customer needs, yet still expected to assist with transactions when required.

This is the point of inflection where transformational technologies, and especially assisted service technology, can facilitate changing the way FI staff members interact with customers. While enabling this process change, AST can also deliver meaningful and measurable benefits to both the FI and its clientele.

## "THE BRANCH OF THE FUTURE WILL PIVOT FROM NOTE TRANSACTION PROCESSING TO HIGH-END SERVICING, SEAMLESSLY COMBINING PERSON-TO-PERSON AND DIGITAL BANKING EXPERIENCES."

Source: Accenture Consulting

# RIGHT NOTES
## FOR THE BANK

Fundamentally, assisted service technology is intended to provide greater efficiency for the bank, by reducing the overall 'cost to serve'. Some consumers become very comfortable with completing a wide range of transactions by themselves, fully in self-service mode. Other consumers either request or require assistance. However, even these customers can complete some portions of the transaction. In principle, every part of a transaction that a customer performs without direct support from a staff member reduces the FI's labor cost input in the transaction – and in aggregate this can become quite substantial. If 60% of a staff member's time is spent doing account transactions, and this can be reduced to 10%, across four staff members we could reduce the demand by two. Those resources can be 'saved' or re-applied to other, more valuable activities.

# RIGHT NOTES
## FOR THE BANK
### [continued]

In addition to the direct transaction time savings benefit, assisted service technology provides transaction support capability while eliminating many of the normal, non-customer facing complexities associated with teller operations: drawer cash management, vault buys and sells, and balancing tasks. This results in a shorter learning curve for staff, and more time returned for customer-facing tasks.

**ONE IMPORTANT EARLY CONSIDERATION, TO ACHIEVE AST SUCCESS: AST SOLUTIONS NEED TO BE BUILT UPON CASH RECYCLING TECHNOLOGY. IF CASH ACCEPTANCE AND DISPENSING ARE NOT MANAGED THIS WAY, YOU WILL NOT RELIEVE MANY OF THE BURDENS CITED EARLIER, YOU WILL SIMPLY SHIFT THE WORK FROM CUSTOMER FACING TO SYSTEM ADMINISTRATION. THE NEW CUSTOMER EXPERIENCE WILL BE BURDENED BY NEW BACK OFFICE BALANCING PROCESSES, AN UNINTENDED AND AVOIDABLE CONSEQUENCE.**

# ORCHESTRATING
## TRANSACTION MANAGEMENT

With AST, branch staff is kept aware of activities in progress at multiple devices, and can respond to specific customer requests for assistance, or engage with customers at their discretion. This ability to engage customers supports relationship-building as well as value-building initiatives. According to Jared Freeman, CEO at Alabama State Employees Credit Union, "Assisted service technology is enabling multiple cross-selling opportunities. Our staffers, equipped with a tablet, can monitor and assist our members with processing their transactions as required. Our assisted service solution also allows staff to handle transactions more efficiently and frees them for more effective human interactions related to other member needs."
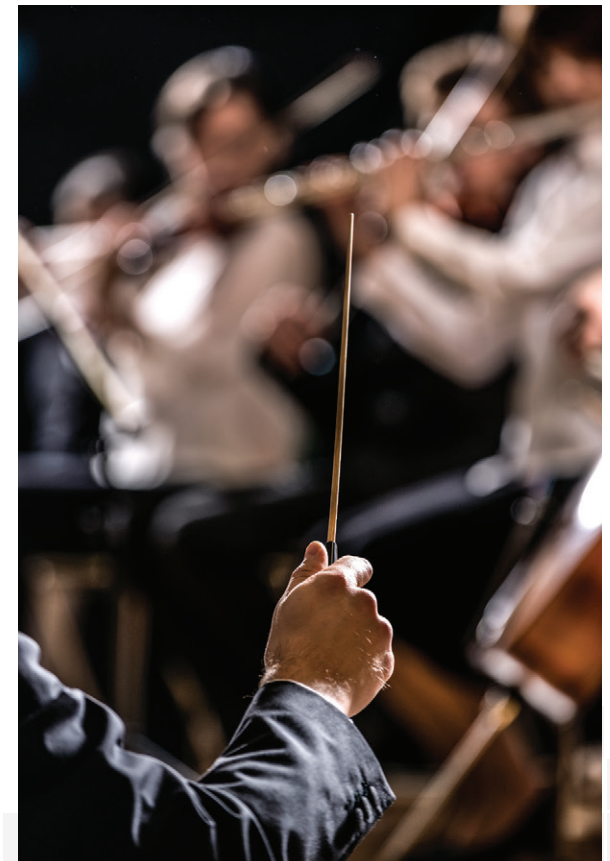
# ORCHESTRATING
## TRANSACTION MANAGEMENT
### [continued]

Staff can monitor multiple assisted service devices by means of a tablet computer, and intervene in transactions as required, either to approve a transaction if needed or assist a customer as requested. Furthermore, staff can also engage with customers as desired to greet a known customer or offer assistance with other financial needs. It is also noteworthy that AST devices interface directly with your core systems utilizing available APIs, not via the ATM switch. This removes many limitations and opens the door to completing a wider range of transactions effectively.

In advanced AST implementations, assisted service software is integrated with your CRM system, to give staff members access to customer specific, actionable information allowing them to engage with customers on a much more personal level. This reinforces the customer relationship. According to Jim Marous, co-publisher of the Digital Banking Report, "Capturing and using consumer insight will be an important differentiator for organizations hoping to build new relationships and solidify those relationships already in place. Consumers will expect their financial institution partners to be able to provide real-time recommendations based on changes in their financial profile."[4]

PWC agrees, stating, "Banks that cultivate a deep knowledge of their customers – their financial-services preferences, economic demographics, and consumer behavior – can tailor offers to individuals in a timely manner based on activity in their accounts and lifestyle changes or choices."[5]

> **"CAPTURING AND USING CONSUMER INSIGHT WILL BE AN IMPORTANT DIFFERENTIATOR FOR ORGANIZATIONS HOPING TO BUILD NEW RELATIONSHIPS AND SOLIDIFY THOSE RELATIONSHIPS ALREADY IN PLACE."**

Source: The Financial Brand

# ARRANGING THE OPERATING ENVIRONMENT

Aligning staff roles and supporting them with complementary technology is a best practice approach that can be enabled through AST. Making this work well, however, requires careful attention to detail in both the physical space of the branch and in the transactional capability delivered by a combination of hardware functionality and excellent software design.

# ARRANGING THE OPERATING ENVIRONMENT
## [continued]

### LEVERAGING AST TO ENABLE THE DESIRED PHYSICAL ENVIRONMENT

The best AST solutions provide financial institutions with flexible physical deployment options for existing and future formats. This is especially important in an era where new branch designs are being contemplated and where branch remodels and retrofits are commonplace. Physical deployment of AST devices can be 'through the wall', as with a typical self-service device, customer-facing within a traditional teller line, in a lobby transaction services 'cluster', or simply free-standing in appropriate locations within a branch.

The specific placement of AST devices depends on the ability of the equipment to support key customer comfort requirements, including maintenance of personal space, privacy, and sense of security. Customers will be more likely to accept assisted service if they are not overwhelmed by the physical size of the system (height, width, approach angle, and similar). Anything that will be displayed to the user should be considered private and personal, and should not be visible to others in the branch, even persons nearby. The device should look 'natural' in the branch, harmoniously blending in to the total branch environment. This will help customers naturally transition to the new method of service delivery.

It is not practical, however, to decide to change the way employees work, add AST, AND simultaneously remodel every branch to support the new way of working.

**AST selection criteria should include consideration of how easily the assisted service devices can be redeployed as changes are made in branch designs over time. Size, shape, servicing access, customer accessibility, and similar considerations, as well as long-term support for relocation and changes in deployment modes, should be discussed with all AST suppliers you might consider.**

# ARRANGING THE OPERATING ENVIRONMENT
[continued]

**TRANSACTIONAL CAPABILITY AND SOFTWARE DESIGN**

A key consideration for adding AST is simply this: Can you ensure transactions that customers still bring to a traditional teller can be delivered through an AST solution? To achieve this, an AST device should interact with your banking technology systems much like a teller does today. Assisted Service Technology software must be capable of integrating with your existing banking applications, including your core system, leveraging your previous technology investments while providing the wide range of functional capabilities that tellers deliver today.

Alex Yen, IT Systems Manager at Beyond Bank in Australia, commented that, "Network architecture was a key aspect of this [AST] project, and by going directly to our core, we were able to achieve a lot more functionality." Glory's Senior Vice President, Self Service Applications, Software, Snehal Vashi adds, "The key challenge for AST devices is to support most of the standard teller functions available. The only way to accomplish this is by interacting with all the systems that interact with traditional teller systems. We work to bring the teller functionality from behind the counter to the front of the counter, while eliminating the complexity that tellers encounter in transaction processing."

While this sounds simple enough, it is in fact a complex web of systems, rules, work flows, exception management, and careful user interface design.

**This is an area where any FI seeking to implement AST will want to ensure their business partner for software is experienced and knowledgeable about banking systems, banking practices, and user interface design.**

There are many potential benefits to be realized by the financial institution that implements assisted service technology in their branches. However great these might be, in isolation they are not enough. AST also needs to deliver practical benefits to the financial services consumer!

## "THE KEY CHALLENGE FOR AST DEVICES IS TO SUPPORT MOST OF THE STANDARD TELLER FUNCTIONS AVAILABLE."

# RIGHT NOTES
## FOR THE CUSTOMER

The phrase "The customer is always right" was coined over 100 years ago by Harry Selfridge, a department store owner in London. While some have challenged this notion in modern times, it remains generally true in the banking world. In today's hyper-competitive banking environment, customer expectations rule. Amongst these expectations are improved access to knowledgeable and available staff, the channel flexibility to bank when, where and how one wants, and efficient use of time whenever using the bank's services. One recent retail banking study finds that "competent personnel, friendly and courteous personnel, enough personnel to assist, short waits times at teller lines, and fast and efficient branches" are among the most important attributes for consumers when selecting a financial institution. [6]

# RIGHT NOTES
## FOR THE CUSTOMER
### [continued]

A recent study from Raddon Research also supports the idea that while use of electronic, self-directed delivery channels continues to expand at a rapid pace, so too does the reliance on traditional staff-assisted delivery channels.[7]

## "THEY TRUST GOOGLE; THEY LOVE APPLE. YET SURPRISINGLY, THEY ALSO VALUE IN-PERSON INTERACTIONS."

Source: BAI Banking Strategies

Perhaps most interesting, as it relates to channel decisions, is that the popularity of human interaction appears to be true for all age groups. According to the study, the majority of customers (75%) fall into the 'High-Touch and High-Tech' category meaning that they use both the electronic and traditional physical delivery channels on a monthly basis. At 75%, the percentage of consumers in this category has grown far beyond both the 'High-Tech Only' (19% of consumers) and 'High-Touch Only' (6% of consumers) categories.[8]

How does an assisted service solution help meet these elevated customer expectations? Let's first consider the matter of choice. The customer has come to your branch with one or more goals.

Often, one of those goals is processing a simple transaction. However, that customer may also have a need to consult with a banker about other financial matters or products.

This is especially true for millennials, who are reaching their peak as financial consumers. As one source put it, "They trust Google; they love Apple. Yet surprisingly, they also value in-person interactions. So, while the majority of them go online to conduct their financial business through your digital channels (such as website and online bill-pay), roughly 51 percent still use physical branch locations. Typically, those on-site visits are to solve a specific problem or converse about a complex transaction."[9]

# RIGHT NOTES
## FOR THE CUSTOMER
[continued]

AST solutions offer the arriving customer three choices for processing transactions in the branch: full go-it alone self-service, assisted service from bank staff, or full staff 'take-over' of the transaction. Customers have full flexibility to decide and choose which approach is best. Since a well-implemented AST solution will provide a range of transactions capable of meeting most customer needs with limited staff intervention, many or most customers will choose 'self-service', knowing that support is at most a button click away.

If a customer does not choose face-to-face engagement for a transaction, bank staff is still able to greet the customer, and have the option of engaging when the customer meets defined criteria encouraging such engagement. The customer, when they want assistance, finds he or she can access a bank staff member who is readily available, having been freed from many burdensome transaction processing tasks. This is obviously especially important if the customer came to the branch for purposes above and beyond processing a transaction! Vicki Piper, Branch Supervisor, of Beyond Bank, talking about their assisted service solution, put it this way, "Our members love using it, our staff love using it, and I just think it's amazing. Having the machine means I have a lot more time to spend helping my members."

Knowledgeable and available staff is one of the key drivers for customer selection of a financial institution as well as overall customer satisfaction. Often, however, the customer's priority is 'presto' or at least 'allegro' service. In its State of Retail Banking Consumer Survey 2016 report, TimeTrade states that "64% of respondents indicate they are willing to wait less than 10 minutes at their bank branch" and that there is general receptivity to scheduling appointments to also optimize their time.[10]

**Assisted service solutions, properly constructed and deployed, support both the staff availability issue and can even enable pre-scheduling of branch resources, both of which are of paramount importance to today's financial consumer.**

# ENDNOTES

## Authors/Contributors

**Robert Allexon** is an independent business analyst and consultant, currently working with the Glory organization. His career spans five decades in technology-based durable goods sales and marketing, including 23 years of service with Glory and Glory legacy companies. He is an expert in cash automation.

**Scott Andrew.** Scott's career includes ten years of experience managing hardware and software for financial institutions, with expertise in Assisted Service Technology. He is the Senior Product Manager for Financial Markets at Glory.

**Michael Bielamowicz**, Executive Vice President, Director – Global Solutions. Mike is a member of the Main Board and Executive Committee, responsible for guiding Glory Global Solutions' technology roadmap and creating product and software solutions that deliver real, measurable value. He also leads a 1,300-member global Customer Services team. In his 20 years with Glory Global Solutions, Mike has served in various leadership roles in North American and globally.

**Mark Buechler** is the Sr. Director of Marketing Operations at Glory with responsibility for their entire family of cash automation products for the Financial Market. His career spans 26 years in the technology solutions and consulting industries.

**Dan McGowan** has held numerous marketing leadership positions including responsibility for marketing strategy, brand and messaging, integrated marketing communications, campaign development, inside sales, advocacy and user communities, public relations as well as customer events and experiences. In his current role at Glory, Dan leads their North America marketing programs across FI, retail and gaming market segments.

**Snehal Vashi** is an accomplished senior technology executive with extensive and varied software product development experience spanning 22 years. As a recognized innovator, he brought international award-winning products to market for a wide range of industry segments. Those awards include PC Magazine Product of the Year, Windows Magazine Product of the Year, and Call Center Magazine Product of the Year.

[1] The untapped win-win in self-service banking, Accenture; Costom, Davidson and Davis, Page 3
https://www.accenture.com/us-en/insight-untapped-win-win-self-service-banking

[2] 2016 North America Consumer Digital Banking Survey, Banking on Value, Accenture Consulting, Page 3
https://www.accenture.com/us-en/insight-consumer-digital-banking-survey-2016

[3] 2016 North America Consumer Digital Banking Survey, Banking on Value, Accenture Consulting, Page 11
https://www.accenture.com/us-en/insight-consumer-digital-banking-survey-2016

[4] Digital Banking Report: 2016 Retail Banking Trends and Predictions, Article in The Financial Brand, Jim Marous, January 14, 2016.
https://thefinancialbrand.com/56672/2016-banking-outlook-trends-projections-report/

[5] Strategy & Industry Perspectives: 2015 Retail Banking Trends, PwC, A. Jain and S. Shanker, February 2016
http://www.strategyand.pwc.com/trends/2015-retailbanking-trends

[6] Reinventing U.S. Retail Banking: Keys to Creating the Omnichannel Bank Branch Experience, Kurt Salmon, F. Albizzati, Page 6
http://www.kurtsalmon.com/uploads/Reinventing%2BU.S.%2BRetail%2BBanking%2B150512%2BVF_SP.pdf

[7-8] Raddon Report: Digital Killed the Retail Star – Or Not?, March 16, 2017
https://www.raddon.com/raddon-report/digital-killed-retail-star-or-not

[9] Meet the millennials: Six smart ways to satisfy their banking needs, BAI Banking Strategies, Brian Campbell, March 23, 2017
https://www.bai.org/banking-strategies/article-detail/meet-the-millennials-six-smart-ways-to-satisfy-their-banking-needs

[10] The State of Retail Banking Consumer Survey 2016, Timetrade, Page 5
https://www.timetrade.com/resource/state-banking-2016-report-consumer-survey/