Despite the growing popularity of digital banking services, branch visits are still a vital part of the customer experience. This means that for many bank customers, the personal touch is as important as ever. In a November 2013 Accenture study, "A Critical Balancing Act: U.S. Retail Banking in the Digital Era," nearly 78 percent of respondents reported that they expect to visit their bank branch just as often — or even more frequently — in five years’ time.

As competition grows, online options proliferate and customers interact with their bank differently, banks must identify processes that can be simplified or automated to make their branches more efficient and transform the customer experience. A comprehensive branch transformation strategy requires that three main components — people, processes and technology — are all in alignment.

Banks seeking to migrate their branches from being transaction centers to “sales and service delivery channels” have a long road ahead. According to a 2015 Celent study, “These Early Days of Branch Channel Transformation,” a substantial industry transformation will likely take five or more years. While 70 percent of financial institutions surveyed are actively pursuing initiatives, only 35 percent are refining designs or deploying new branch designs, according to the report.

And regardless of predictions of a “cashless” society, there is an incredibly large volume of cash and checks that branches must deal with every day, including:

- **Currency**: Approximately U.S. $1.4 trillion was in circulation as of Feb. 18, 2016, according to the Federal Reserve.
• Checks: While volume is steadily declining, 18.3 billion checks were paid in the United States in 2012, according to the 2013 Federal Reserve Payments Study. (Note: The 2015 Payments Study is expected to be published in December 2016.)

• Coins: 4.2 billion U.S. circulating coins were struck in Q1 2015 alone, according to CoinNews.net. The challenge for banks, then, is to maintain branch profitability and enhance efficiency via automation while keeping customers satisfied. Adoption of the right technology solutions can help banks streamline deposit processing, expedite currency handling and automate coin handling.

Streamline Deposit Processing
Start by identifying processes that can simplify deposit processing. For example, in the Accenture study, 21 percent of respondents said they would like to see their primary bank invest in additional ATM availability, making it easier for customers to make deposits and withdraw cash. Automated deposit functionality at the ATM achieves this and can lower costs per transaction. Migrating customers to the ATM for their deposit needs, however, requires a well-thought-out plan that consists of understanding branch demographics, marketing and customer communication efforts and measurement. When well-executed, automated deposit can result in 40 percent of deposit activities migrated from the teller line to the ATM.

Banks can also address the unique needs of their commercial customers by offering remote deposit capture, or RDC, services. In fact, a majority of customers are interested in services that enable them to scan and transmit check images to their banks and are anxious to realize the benefits of RDC, such as reduced time spent preparing deposits and cost savings by not depositing paper checks.

Additionally, employing branch or teller image capture is an excellent way to eliminate inefficient cash and check processes. While the benefits of simplified deposits are obvious — elimination of off-site processing centers, reduced errors and fewer labor and transportation costs — those benefits can be lost if the right technology is not correctly deployed.

Automate Coin Handling
Coin deposit processing is another challenge for many branches because it is labor and time intensive. Tellers forfeit valuable customer face time when they disappear into a back room to process coins. And customers do not like losing sight of their money. A better approach is to use self-service coin counting machines that automate the process. Customers actually prefer this approach because it allows them to have a faster and more pleasant exchange with the teller when they cash in or deposit their coin redemption receipt.

According to a BranMark Strategy Group study, “Assessing the Opportunities for SSC Machines in the Financial Segment,” 80 percent of respondents reported that they would switch from a teller to a self-service coin machine and believe their satisfaction would measurably increase as a result, with many indicating they would use the machine “all the time.”

Leveraging Technology to Revolutionize Processes and Meet Transformation Goals
Banks must evolve in order to remain relevant in the face of various market challenges, including declining — though not disappearing — branch visitors, changing customer needs, and expanding mobile and self-service options. They also must be able to integrate automation technologies, develop and sustain marketing campaigns, and help customers migrate to new channels.

The success of a bank’s branch transformation relies heavily on the technology partner it selects. Banks should seek out one that offers a collaborative approach to working with banks and other suppliers. That partner should also be able to identify the best options for the organization and its unique branch transformation goals. Solutions that help ensure that a branch remains a relevant and profitable part of a bank’s multichannel strategy are vital.

Bob Gibson is vice president, branch operations, at Cummins Allison (www.cumminsallison.com).

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