



MIND THE GAP - SKILLS FOR WORKING IN THE BANK BRANCH OF THE FUTURE

WHITE PAPER

Despite regular news about closures, the death of the bank branch is rather exaggerated. Even with cuts, major high street banks expect to retain nationwide branch networks, and many are investing in new branches. Challenger banks like Metro Bank are even opening more branches.

Branches have been ever evolving since the first ATMs were installed over 50 years ago. Today, bank branches are evolving at an accelerated pace as part of the new omnichannel strategies being adopted by banks.

The bank branch of the future is being reshaped by the strength and limitations of digital disruption. Bank branches need to complement and enhance what are becoming customers' primary online and mobile channels. They can do this by providing the face to face, advisory and personalised interactions that pure digital channels cannot fulfil or to a quality that customers expect and value.

STAFF AND CUSTOMER CENTRIC

Digital in-branch technology that's integrated with other channels is key. But, of equal if not greater importance, are the colleagues who ensure customers receive a positive experience in the branch.

So how can banks cultivate and motivate the staff who will be crucial to the success of their next generation bank branches?



Ironically, as banking becomes more digitised, the bank needs staff with stronger, richer people skills in communication, empathy and problem-solving. Customers are going to go to their branch for specialised advice and access to expert financial knowledge in fields like mortgages and wealth management. These skills and knowledge need to be developed and maintained by banks. However, the real value to customers comes from how the bank has ensured it has staff who can marry their expert knowledge with an ability to deliver complex advice with real sensitivity to customers' individual needs.



Allied to this will be how alert branch staff are to recognising individual customers as they come into the branch. Staff who are trained to welcome customers, resolve general enquiries and can properly handover a customer to a specialist colleague, are going to be so crucial in creating positive branch experiences.

TECHNOLOGY AS A TOOL

Technology can augment these interpersonal skills through how real time data analysis can provide the best recommendations for engaging with a customer at a specific point in time. Tablets used by reception staff and advisers can be alerted to everything from whether a customer is in the branch at an ATM, whether they have requested a

meeting, how long they've been waiting to be served as well as all their financial history and profile. This technology is likely to see the role of the Chief Data Officer becoming even more important.

The branch of the future will also need staff to assist in achieving the bank's own digital goals. With more technology in the branch, such as video banking, staff will need to be trained to use and understand how to fix any technical issues. More importantly, the branch will become an important tool in how customers are taught to use new digital services. Staff will need to be trained in how to deliver digital support and even run workshops to help customers get the best out of the bank's digital services. Achieving this goal may be aided by how the much-discussed millennials – the digital natives – will make up most of the general workforce in less than ten years.

Digital skills are vital to how banking staff ride out the dynamic change affecting the industry. Equally important is how the bank selects and trains staff with adaptability and team working as key characteristics. The need to keep pace with how banking is changing means having staff who can absorb new ways of working rapidly and with ease. As banks accelerate plans to transform branch banking, a strong team ethic can ensure that staff keep focused on delivering positive customer experiences regardless of the pressures and distractions.

Managers need to consider how they can best motivate and steer their teams through this disruptive phase. To deliver more positive customer experiences will be facilitated by how positive the workplace experience is for staff. This depends on whether staff have the right tools and information to treat customers as individuals including the ability to make on-the-spot judgments on new financial arrangements. There's also a need to consider how staff are rewarded on delivering positive, thoughtful and attentive customer

experiences rather than hitting sales and marketing targets. In fact, positive customer feedback from this improved experience can increase the morale of the branch employees.

REVOLUTIONARY APPROACH

Even more revolutionary approaches to how branch staff are led may become necessary. One expert in organisational behaviour Professor Dan Cable of the London Business School has talked about how traditional top-down management is less effective and puts forward the concept of the servant-leader. Unlike a leader who is focused on control and for whom the ends justify the means, a servant leader sees themselves as serving their staff as they grow and develop, offering emotional and practical aid. In effect, a servant-leader encourages the blooming of positive ideas and contributions from employees.

Notably, Professor Cable talks about how a servant-leader approach has helped Standard Chartered bank in China to transform the fortunes of its branch network there. A head of consumer banking learned branch staff dreaded his visits, so he started showing up unannounced and even serving breakfast to staff. He would then run informal meetings to ask staff to tell him how he could help them run their branches better. Tapping employees for innovative ideas led to a 54 percent boost in customer satisfaction and 29 percent plunge in complaints. Some banks are already putting this into practice, for example Banco Bradesco, which is using AI to transform the experience of employees and customers. Technology has been implemented which assists Bradesco employees in answering customer questions regarding insurance, pension plans, credit card services and savings bonds.

SERVANT-LEADERSHIP

Whether this servant-leadership idea is suitable for every bank or not, it does highlight how, like their staff, bank and branch management need to lead by example. They should

be sympathetic to the pressure on colleagues, and be as vigilant and committed to customers in everything they do and decision they take.

Rethinking the bank branch for the age of digital and self-service banking cannot happen without re-imagining the workforce too, and new ways of managing them, for example agile project management.

Certainly, many traditional roles like bank tellers are going to be eliminated but new kinds of roles are developing too.

While customers are choosing digital for their core banking services, many also want contact with human beings who can properly understand their financial affairs. Banks will want their remaining branches to add value and market differentiation and this will come from how they have invested in and harnessed their unique human capital to deliver better personalised customer experiences.