Optimizing Branch Staffing for Sales

As in-branch customer transactions steadily decline, bankers are facing greater urgency to turn their offices into sales centers, say BAI Retail Delivery 2013 panelists. BY KAREN EPPER HOFFMAN

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It’s an old problem in banking but one that is hitting home now with increasing urgency: how do you boost sales in the branches? Part of the answer involves changing the roles and responsibilities of the branch staff.

“There has been a lot of discussion by the industry and in the media about the changes of the retail branch,” says Daniel Hoke, senior vice president and division manager for corporate and university campus cards and branches for Minneapolis-based U.S. Bancorp. “Many of those discussions have focused on the branch becoming smaller, and with that, the key consideration is the role of staffing to generate sales and provide customer service.”

Hoke and two other bankers will discuss these issues in depth on November 5 at BAI Retail Delivery 2013 in a session entitled “Optimizing Staffing for Sales in the Branch.” They will be joined onstage by consultant Steven Reider, president of Birmingham, Ala.-based Bancography.

The basic issue is clear: teller-based transactions have plummeted in recent years as customers opt to deposit checks, perform balance inquiries and withdraw cash utilizing ATMs, mobile devices and PCs. Management consultancy Novantas Inc. has estimated a 25% drop in average transactions per branch, per month between 2006 and 2010 alone; extended out another five years, banks could be seeing as much as a 56% decline in branch transactions by 2015.

Historically, 80% of the tellers’ time would be taken up with cashing checks and taking deposits, according to Reider. Now, he says, transactional demand might keep them busy only 40% of the time, driving home the need for better cross-training as well as the use of “universal bankers” in the branch, meaning an employee who is trained at multiple tasks.

In response to this situation, fellow presenter Robert M. Kottler, executive vice president and director of retail and small business banking for Iberia Bank of Lafayette, La., sees “high- and low-opportunity branches” emerging. In low-opportunity settings, banks can “take the slack out” by reducing staff positions. The high-opportunity branches, by contrast, become platforms for both in-person selling as well as “small call centers,” where employees can make outbound calls to customers or prospects, made possible via new phone capabilities and better customer relationship management systems that are emerging.

It’s likely that more of those branch selling activities will in future come from universal bankers rather than traditional tellers or platform bankers. U.S. Bank, for example, has experimented with universal bankers at its in-store branches and campus branch locations for the past few
years, according to Hoke. “The concept is about doing more with less,” Hoke says. While the lessons learned from such experiments are still being “measured and calculated,” he adds, the greater emphasis on improving the customer experience and tuning the sales approach to “different generational segments” is definitely working well under the universal banker model.

Reider reports that “virtually every large bank has universal bankers in pilot,” although he sees the position even more widely embraced by community banks and credit unions. However, he adds, universal bankers perform best in low-transaction volume branches. “The reality is that there are branches with an older market base or in a mass market area with a high transaction volume where someone behind the teller line can still be utilized most of the time. You don’t want to have to pay a higher-wage universal banker in locations where you don’t need them.”

Iberia Bank is currently using universal bankers at more than half of its busiest branches, Kottler says, adding that the company is now hiring people specifically for this role, as opposed to just moving traditional tellers and bankers into the universal banker slot. Over the past year, Iberia Bank has been focused on hiring more part-time teller and more universal bankers to meet the needs of the changing branch, he says.

“We’re looking for people with sales skills, people with a customer service or sales orientation who can do a better job of taking care of customers,” Kottler says.

Hoke says the key to the universal banker position is not only bringing in people with the correct background and expertise, but also giving them “special training and performance-based metrics.” And the universal banker also must know how to utilize technology in their job. While technologies such as image-based ATMs and remote deposit capture have drawn transactions away from the teller window, improved customer relationship management software, which helps give bankers a fuller view of the customer’s relationship to the bank, has helped smooth the way for better sales interactions, Kottler says.

The emergence of teller cash recyclers also paves the way by making transactions more efficient, leaving universal bankers in particular more time for selling and engaging customers. Universal bankers simply “can’t do it without cash recyclers,” Reider says, explaining that the automated cash handling machines are more secure than old-style teller cash drawers, which gives universal bankers the flexibility to move more easily from teller line to customer service representative workstation on the fly.

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