

Walking the Digital Tight Rope

By Hugh Patterson

Many years ago, one of my clients likened banking to walking a tight rope. He commented that community bank CEOs must maintain a healthy well-staffed branch network to take care of older customers who have money while at the same time investing in electronic solutions of the future to attract and keep younger customers who will have money. That was twenty-two years ago!

While the scenario has not changed much since that time, digital expectations have pushed the rope even higher and mis-steps can be fatal. Now boomers to millennials people are using digital solutions to do everything including their banking business. But digital only is not the answer. Studies have shown that digital only banks tend to suffer when they do not offer some type of branch network to support their digital retail strategy. While it is not surprising that baby boomers still set foot inside their local branch from time to time, millennials have also expressed a desire to sit down and talk to a real person when they have important decisions to make such as obtaining a home mortgage, making investments or financial planning. As my CEO friend said so many years ago, banks and credit unions must offer the best of both worlds in order to not only compete but to survive.

So how do you leverage both your physical and virtual investments in this time of digital change? By evolving your branch into a digital support center. Tellers should be selling the advantages of mobile and remote deposit capture, P2P and P2B transfers. Just like the promotion of ATM usage in the 1980s, tellers should be promoting your digital solutions as a way of providing customers with the most convenient way to do their financial business. Customer Service Representatives should be demonstrating and selling the advantages of mobile banking, online banking, bill pay and eStatements. Not to eliminate branch activity, but to enhance the convenience of doing business with your financial institution. The balance is to clearly see that the transition to digital first banking is here and that your branches must evolve to support a new way of doing business. We know that providing a great customer experience is the best way to differentiate your financial institution. Your customers are now focused on doing everything in the digital world and so should your retail staff.

What is your financial institution's plan for walking this tight rope? The answer to this question begins with a viable digital retail strategy. That strategy should address the solutions required to achieve your business objectives, an implementation and roll out plan for those solutions and a long-term plan for continued internal focus on learning, using and promoting your digital solutions. If you already have a full compliment of digital solutions, find out how well your financial institution is doing at proactively promoting these solutions at every point of retail contact. How many of your employees use your online banking and mobile app? How many of them even know that you offer these solutions? The answer might surprise you.

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