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# THE BRANCH OF THE FUTURE



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# THE EVOLUTION OF BRANCHING

*BECU's VP of Member Solutions discusses why there will always be a place for the branch.*

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INTERVIEW BY SHARON SIMPSON

**B**ECU (\$11.5B, Tukwila, WA) is poised to evolve its branch network. When rolling out its branches, it chose to go cashless in all but two. Instead of using valuable human resources to conduct routine transactions that members can complete on their own, the community credit union focuses its branch network on handling more complex transactions and building relationships.

In this Q&A with Stacie Wyss-Schoenborn, BECU's vice president of member solutions, talks about the credit union's plan to further evolve its network and what it sees as the future role for branches.

## **HOW DO YOU SEE THE ROLE OF BRANCHES CHANGING?**

**STACIE WYSS-SCHOENBORN:** There has been a lot of conversation regarding the role of the branch. Is it dead? What's the right branch model? I think the branch role is still evolving. There will always be a place for the branch in the delivery process of any financial institution; the branch is a delivery channel that is not going away. How a financial institution delivers the branch experience and the role of the branch in a multi-delivery channel strategy will continue to develop.

I see branches becoming smaller and more nimble. As we move forward, branches are more likely to have a smaller footprint with fewer employees and more self-serve — such as ATMs — and assisted self-serve — such as personal teller machines — options.

## **HOW IS BECU CHANGING ITS BRANCHES TO PREPARE?**

**SWS:** BECU is already positioned a bit differently than most financial institutions. Originally, we rolled out the majority of our branches without traditional teller service. We have 40-plus branches and all but two use the ATM to deliver cash. This gives us flexibility in our model and the ability to return more savings back to the membership in terms of lower fees and

better rates. Additionally, this model reduces branch FTEs while optimizing their focus on sales and service. Handling cash is expensive and adds operational complexity. That's why I believe many organizations are gravitating toward personal teller machines.

In the relatively near future, BECU is opening a branch that will showcase technology and help members learn how to access BECU remotely. The main difference between this new model and our existing one is we're increasing the number and types of technological devices to provide live demonstrations and hip-to-hip support. For example, after we've opened a new account we can walk the member to an area with a choice of mobile devices. This will allow them to select the type of device, or devices, they use and see exactly how they will access their accounts using a Windows tablet, iPad, iPhone, Android, etc.

With more members banking from desktops, tablets, and mobile devices, this approach should help alleviate technical issues that can arise when members access their new accounts on a device different from what they saw in the branch. Each device has certain nuances, and introducing members to our remote services on their preferred technology should help prevent any disconnect. And learning about [the device] before leaving the branch will help our members feel more comfortable about accessing their funds through a digital channel.

## **ARE THERE DIFFERENT PERSONALITY TRAITS OR SKILLS YOU THINK BRANCH STAFF NEEDS TO BE SUCCESSFUL IN THE NEW MODEL?**

**SWS:** Many of the existing skills we look for apply to the new model as well. To deliver exceptional service, branch employees still need to be problem solvers and have good listening skills, a genuine desire to help others, and a natural sales ability.

In addition to having employees help members with their technology or account access needs, we are also focusing on specialization within the branches. To-



**Q&A** STACIE WYSS-SCHOENBORN  
BECU'S VICE PRESIDENT OF  
MEMBER SOLUTIONS

day our staff members are largely generalists, but we are infusing specialized knowledge of more complex types of products like wealth management, mortgages, and business services. This will provide a better overall experience for our members by allowing them to immediately speak with an expert on-site versus making an appointment for a later date or time.

**AS BRANCHES SHIFT FROM TRANSACTION CENTERS TO SALES CENTERS, DO YOU THINK SHARED BRANCHING WILL CONTINUE TO BE AS IMPORTANT?**

**SWS:** There will always be a role for shared branching, just like there will always be a role for other face-to-face delivery channels. For me, the beauty of shared branching is it allows credit unions to compete with larger financial institutions and diminishes the perception that we're not convenient or only local. Whether a member uses a shared branch location or not, the network provides all credit unions with the ability to communicate touch points across the nation. Members want to know that if something goes wrong, they can walk into a branch. Shared branching helps level that playing field in terms of convenience and access for all credit unions. However, just as individual credit union branches are changing, I think shared branching will continue to evolve.

**HOW DOES BECU MEASURE BRANCH PERFORMANCE?**

**SWS:** Before I share our key metrics, my caveat is that each credit union has to determine the core responsibilities of its own branch network. At BECU, we push routine transactions online as much as possible through remote or self-serve options. Our branches, therefore, are responsible for complex situations, i.e. fraud; opening new memberships; helping members understand their financial health; and increasing our share of wallet. All of our performance measurements tie back into those branch responsibilities. Branches serve as the primary acquisition arm for BECU; 85% of all new member acquisitions come through our branch network. Branches are also charged with engaging members and deepening relationships, so cross-sales are another metric we keep a close eye on.

We have a dashboard available on the intranet that is updated daily and allows everyone to view their performance versus goals and understand how they are contributing to the cooperative. These metrics include everything from where you are on your consumer loan origination goal to the latest service metrics including the Net Promoter Score. All of these individual metrics roll up to the branch and district level all the way up through the organization-wide goals we've established in our strategic plan.

The dashboard helps motivate staff, but we also use it to educate. If we see someone is struggling in meeting their Visa goal month after month, their manager can pair that individual with one of our high-performers. This allows employees to share tips and cross-pollinate so everyone is more successful across the branch network.

**ANY THOUGHTS ON THE ROLE OF THE CALL CENTER OR FINAL THOUGHTS ON BRANCHING?**

**SWS:** The call center is not within my responsibility, but I believe there will be additional opportunities to make the call center more of a sales and acquisition channel. That's a work in progress as the structure is mostly service-oriented today. I think the call center will change just as everything else is changing.

When thinking of the branch of the future, questions that are intriguing to me are: As society evolves, what are consumers going to expect from a financial institution? How will consumers want to interact with a financial institution in the future? How do credit unions stay relevant for members while making a shift from traditional branches to a new branch model and digital channels? 🌐

# EVEN BRANCHES CAN BE BLOGGERS

*Mazuma is fostering a relationship between a new branch location and its members a year before the physical building exists.*

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BY JENNIFER DAVIS

**W**hat do Suri Cruise and the upcoming Mazuma Credit Union headquarters building have in common? For starters, they've both become successful bloggers despite challenges such as a lack of developed verbal skills, an inability to personally access the Internet and, in the case of the branch, being an as-yet un-built inanimate object.

When Mazuma Credit Union (\$495.3M, Kansas City, MO) decided to expand and relocate its headquarters, CEO Brandon Michaels saw an opportunity to become a truly metropolitan-wide organization while finding a home for the credit union's growing staff. Instead of re-creating a standard branch in a new, larger location, Michaels decided to create a space that would serve members, give back to the community, and make banking a bit more fun.

"Increasing membership across the metropolitan area has a direct impact on our branches and their capabilities," Michaels says. "Although we knew we needed to find a new headquarters, it was of paramount importance that we combine it with a new branch office to support current and future member needs."

In addition to serving its 53,000 members in the Kansas City metropolitan area, the new headquarters and branch needed to provide an appealing workspace that would promote efficiency and innovation among Mazuma's 185 employees. The architect on the project, Praxis 3, remained true to these parameters when planning the three-story, 60,000-square-foot location that is set to house the branch as well as most of the Mazuma management staff, the call center, and departments such as e-services, IT, and training and development.

The new building will make use of open space and features a three-story atrium. Staffers will have access to a fitness area, a coffee bar, and several work

areas decorated with themes like "robot," "beach" and "wave." There will also be a 200-person Community Room that is open to the public. Members will have access to a full branch office with drive-up service and dialogue towers in lieu of the traditional teller window.

"Dialogue towers remove the traditional teller window barriers between members and member representatives," Michaels says. "This allows for more personalized and efficient service."

Credit union leaders finalized the floor plans roughly a year after initially discussing building a new headquarters. The next question it had to address was how to promote the exciting new features while maintaining the spirit of Mazuma's "fun banking" brand. To promote the expansion, the marketing team and Brand Manager Andy Dickhut crafted a plan that included general marketing collateral as well as a blog, [www.MazumaHQ.com](http://www.MazumaHQ.com), that allowed the special branch to speak for itself.

Launched in April of 2013, "a blog about the new HQ building, by the new HQ building," includes posts from MazumaHQ, guest posts from people involved with the new site, and mock-ups with pictures of the new headquarters. The blog provides an open forum for members, community members, and staff to comment on posts, contribute their views on the branch, and suggest new ideas. Although there is plenty of relevant information about the new headquarters, at times the blog more closely resembles a personal Facebook account than a corporate marketing campaign.

Through MazumaHQ.com, the building has developed its own personality, complete with opinions on its features, best qualities, and upcoming events. Every post written by MazumaHQ includes personal comments and fun facts disguised as quirky opinions.

“Dialogue towers remove the traditional teller window barriers between members and member representatives. This allows for more personalized and efficient service.”



MazumaHQ shares everything from status updates such as, “... right now, I’m just a pile of dirt and land. But by the time the fall of 2014 rolls around, I’ll transform into a magnificent three-story, 60,000-square-foot building. Optimus Prime’s got nothing on me ...” to descriptions of new features, including, “I’ve got that little extra sumptin’ sumptin’: I’m a state-of-the-art Mazuma branch that re-imagines the banking experience for the 21st century. I’m a great place for great financial solutions that’ll leave a smile on your face ... Grab anything you like in my new break room: grub, coffee, soda. Just don’t grab another Mazuman. They taste awful.”

Details about the planned community room are available in a general “About Me” section: “I’m community-oriented: Credit Unions are all about community, and my new community room personifies how much I care about ours. This high-tech, audiovisual-equipped community room is capable of hosting anything from a small meeting to a large 200-person gathering for employees, members, or the community-at-large. Like a really sweet tattoo, this room will showcase murals of the unique entertainment heritage of Kansas City. Welcome to Paris on the Plains, folks.”

The new branch appears to be proud of its new look, and members, staff, and community residents should be, too. The blog includes several photos of the new facility with the disclaimer: “All right, normally I wouldn’t do this, but you seem pretty cool, so I’m gonna put down my walls (figuratively speaking) and let you in on some VIP access. Think you can handle it? Then feast your eyes on the phenomenon that is ME!”

For its groundbreaking, MazumaHQ posted: “There were shovels, some awesome lookin’ hard hats, and a giant rendering of what I’ll look like when I’m finished. (I lobbied for a statue, but this’ll do.) It was a hot summer morning, but that didn’t stop tons of people from showing up. And they were all there to see me! Except for maybe, like, one random dude. He was totally there for the free Chick-fil-A breakfast. I don’t blame him, it was quite yummy.”

In addition to providing construction updates while

staying true to the lighthearted Mazuma brand, the blog serves as an outlet for members, staff, and community residents to ask questions and make their voices heard via the comment section of each post. MazumaHQ.com is a casual-yet-legitimate forum for concerned citizens to express grievances. For example, several members have asked why the credit union didn’t allocate the funds for this new branch to member dividends instead. Some members have questioned whether the move is motivated by possible tax breaks or other monetary incentives — the headquarters is moving from Missouri to Kansas — and some Missouri members wanted to know when they could expect new branches to open on their side of the state line. Through MazumaHQ.com, credit union representatives quickly provided thorough responses while keeping the spirit of the conversation positive and open. As a cooperatively owned institution, Mazuma knows transparency is vital to preserving the member-owner relationship that makes credit unions stand out as financial institutions.

As long as the Mazuma marketing team can craft new content, the blog will continue to stay relevant and serve as a cost-effective way to introduce the credit union to new members and expand current relationships. MazumaHQ intends to keep blogging through construction and into the grand opening set for fall 2014. The credit union has introduced a livestream video so interested parties can watch construction progress 24/7. Traditional marketing collateral will support blog content, and the credit union will also post updates to its flagship website — Mazuma.org.

“We’ve had a lot of fun developing the Mazuma HQ personality and blogging from this unique perspective,” said Dickhut, “However, we view MazumaHQ.com as part of a cohesive strategy, not just a stand-alone website. It’s meant to keep our Members informed and invite them to start a dialogue with us. We want to hear from our Members whether that be on the blog, on the phone or in our branches. We pride ourselves on offering multiple avenues of access to Mazumans.”



# A CHANGE IN OPERATIONS

*Technology can create branch efficiencies and versatility while enhancing member convenience.*

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BY AARON PUGH

**T**o prepare itself for a more effective, efficient, and profitable future, Coastal Federal Credit Union (\$2.1B, Raleigh, NC) spent two and a half years converting its 15 branch locations from a traditional teller line model to one that incorporated 63 personal teller machines (PTMs). Now one year into this model, Coastal has reduced teller costs by more than 40%, steadily grown its net promoter score, increased platform sales by 78%, and hit its third consecutive record year for net income levels, says Willard Ross, senior vice president and chief retail officer.

PTMs cost about the same as a high-end ATM, but they are not ATMs and they're not self service, he says. Each comes equipped with a screen and a phone headset for members who are concerned about privacy. At the push of a button, the member is connected to a live representative who walks them through the transaction. PTMs units currently accept cash and checks and distribute cash, checks, coins, and receipts.

The system does not rely on pneumatic tubes, which allows Coastal's 40 PTM employees to work in a single unit under one manager and five supervisors at a centralized location.

"The employees like the ability to all be together and it makes training more consistent and effective when it's under the same roof," Ross says. "It's fast, but it's also personal, so members have a real face-to-face interaction."

## AN OPERATIONS UPGRADE

With PTMs, tellers never physically touch currency, which has the added benefit of reducing illness and sick days. And they can jump from unit to unit to pick up the slack in a swamped location.

This flexibility has also helped the credit union become more efficient in its hours of operation.

"Most branches underperform for several reasons," Ross says. "One is that they work on banker's hours and most members don't like to take a long lunch or leave work early to do a transaction." The PTMs helped Coastal respond to these preferences and extend its working hours by roughly 86%.

"This is a real differentiator and we're seeing it in the number of checking accounts we're opening," Ross says. Coastal currently opens more than 1,000 new accounts a month.

Because the credit union worked one location at a time and highlighted the benefits of the new model firsthand, resistance from membership was nominal. To date, the credit union hasn't lost a single member because of the teller shift.



“Our vision is to have the best tellers in the area lined up on a waiting list wanting to work here, because of the safety and the opportunities this environment provides.”



“We started with promoting the extended hours because that’s the most tangible benefit,” Ross says. “Members will realize later that it’s still warm and personal and much faster, but they won’t believe that until after they start doing transactions at 8 a.m. on a Sunday morning.”

#### **BUILDING A BETTER WORKPLACE**

The units have not just affected the members experience but the employee one as well. With typical industry turnover of around 40%, teller expense is a huge cost and a drain on normal branches.

“Our vision is to have the best tellers in the area lined up on a waiting list wanting to work here, because of the safety and the opportunities this environment provides,” Ross says.

The credit union raised the pay grade level for PTM position by one notch and tellers had to demonstrate that they were good on video and flexible with their work schedule to win a spot. The credit union did offer a stay bonus for those who did a good job but weren’t able to find a position in other roles, but because of the long conversion time and natural attrition trends, it only ended up paying that to a handful of people.

“We have a teller Levels of Achievement Program, where high performers can learn extra skills,” says Ross. “Each level is 5% more in pay, because we don’t want them to feel the only way to get promoted is to take a role that might not fit their talent, such as a supervisor or as management.”

#### **FOCUSED AND ADAPTIVE**

Reducing teller concerns and administrative needs also frees branch managers from the role of operational experts, and allows them to focus on being good sales managers instead. In 18 months, Coastal has increased its sales per full time employee, per day, from 1.58 to 2.8.

“We don’t count fluff sales like debit cards,” Ross says. “This is loans and deposit accounts.”

One representative in every branch location now receives the same training as the credit union’s dedicated mortgage workforce, which has allowed branches to produce up to 35% of the each month’s mortgage applications and closings.

PTMs can also lower branching costs and create flexibility in the branch footprint. One Coastal branch at a Lenovo Headquarters measures just 400 square feet and features one PTM unit and one small office for a sales rep.

“We don’t always need to have a 6,000-square-foot branch on a two-acre lot,” Ross says. “There are all kinds of options with PTMs.” 🌐

# LESSONS FROM A BRANCHLESS MODEL

*A credit union emphasizes virtual access over brick-and-mortar  
but sees value in strategic location placement.*

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BY AARON PUGH

**M**ore than 35 years ago, PSECU (\$3.9, Harrisburg, PA) embraced a branchless model to serve members in 67 counties across a state-wide charter. With 9.03% annualized loan growth, roughly 392,000 members to date (the credit union is growing by about 10,000 members per year), and an operating expense that similar-sized institutions would covet (it serves roughly 676 members per full time employee), this approach is working well. But as it turns out, a virtual-focused institution can still share valuable insight into branch strategy.

“It’s been our experience that consumers still prefer to go to a branch to open a new account,” says Gregory Smith, CEO. “Yet we’ve been able to overcome that by offering superior rates on the deposit and loan side.”

## THE ELECTRONIC FOOTPRINT

In addition to online, mobile, and call center resources, the credit union currently owns a network of more than 125 ATMs throughout the state and covers all foreign fees and surcharges for any outside units.

“I continue to believe that PSECU is better positioned for the future with its model than those that rely heavily on branches,” he says. To date, only about 10% of PSECU members ever set foot on one of its physical facilities.

Despite being largely virtual, PSECU does operate a branch office at its headquarters as well as a small branch near the state capitol. The larger branch has eight teller windows, but neither of the locations disburse cash. Instead, members are encouraged to use their ATM card for those needs. There is also a bank of PCs and phones for members to take care of more

advanced services such as getting a loan.

Members who apply online without any in-person engagement from PSECU staff make up around 65% of the total consumer loan applications received. For mortgages, that number increases to around 90%.

## THE RIGHT TIME AND PLACE FOR BRANCHES

Despite its virtual leanings, PSECU is not entirely opposed to brick-and-mortar in certain scenarios.

“We also have 13 small offices on state university campuses which we call eCenters,” Smith says. “They range between 200 to 300 square feet and are staffed by paid student interns who recruit and train new members on how to use our virtual channels.” In the 10 years PSECU has had this campus presence, it’s opened over 50,000 student accounts in the branches.

“These were a revelation to us,” Smith says. “We tried going branchless on the campus and just didn’t get the results that we wanted. When we first started putting in those small locations, we compared one to a university without a branch presence and there was a fivefold difference in the number of new members attracted.”

Because new account openings typically occurs during new student orientation, it may be the mentality of parents — that you have to go somewhere to open an account — rather than students that is driving this trend.

“I won’t say branches are dead or going to go away because there’s something about people wanting to go somewhere and scope things out, at least during the beginning of the relationship,” Smith says. However, evolving technologies like remote deposit capture may shift that mentality in time. 🌀

# RETHINKING THE BRANCH

*How credit unions can leverage technology to maintain a profitable, customer-centric branch.*

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BY CUMMINS ALLISON

**T**he branch. What was once the center of a credit union's universe is now just one component of a multichannel strategy to connect with and engage customers. Although other channels, such as mobile banking and ATMs, have risen in popularity, the branch still remains an integral part of any credit union's operations. As credit unions retool their branch strategy and decide where to allocate their technology investment, it's critical to identify solutions that drive business process improvements and increase member satisfaction.

## **ASSESS OPPORTUNITY AREAS FOR BRANCH LEVEL BUSINESS PROCESS IMPROVEMENTS**

Implementing branch or teller image capture is an excellent way to remove inefficient cash and check management processes. Although the benefits of a simplified deposit process are obvious — elimination of off-site processing centers, reduced likelihood of errors, fewer labor and transportation costs — they can be lost if a credit union does not deploy the right technology in the right way. New technology solutions that process more than just checks or items and at a higher rate of speed deliver the most efficient forms of branch capture.

For many branches, daily processing of coin deposits is labor and time intensive. Tellers can lose valuable face time with customers if they are distracted by downed equipment or disappear into a back room to process coins. Using self-service coin counting machines that streamline sorting, collecting, and storage means tellers are no longer occupied with processing coin in the back room — reducing customer wait times and adding more face time. As the demand for coin processing and members' preference to redeem coin at their credit union continues to grow, having this self-service offering can help increase traffic and customer satisfaction.

## **MAKE CUSTOMER-CENTRIC ENHANCEMENTS A PRIORITY**

Credit unions must embrace technology as a strategy that allows them to provide a unique customer experience. A self-service coin counting option in the lobby helps members avoid counting and wrapping their coins and standing in long teller lines while holding heavy coin containers. Instead, they get a faster, more meaningful exchange with the teller when they cash in their coin redemption receipt.

Self-service coin machines are a service offering members truly want. In a May 2013 study conducted by Novarica, "How Consumers feel About Branches When Switching Banks," 80% of those surveyed reported they would switch from a teller to a self-service coin machine and they believed their satisfaction would measurably increase as a result; many even indicated they would use the machine "all the time."

## **LEVERAGE TECHNOLOGY TO INCREASE PROFITABILITY, REDUCE COSTS**

According to BranMark Strategy Group, the majority of consumers still consider branches a primary deciding factor when selecting a financial institution, and many still feel they have transactions they can't complete online or at an ATM. It's up to credit unions to bridge this gap and offer members the branching services they want while maintaining profit margins. Investing in the latest currency, check, and coin processing technology can reduce a credit union's costs and have a dramatic impact on equipment, labor, and time savings.

The key is selecting solutions that enable the branch to accomplish more tasks with less capital investment. As credit unions rethink their branch strategy, technology investment should be a critical part of the decision-making process. Solutions that help ensure a branch remains a relevant and profitable part of a credit union's multichannel strategy are non-negotiable. 🌐

# A HARBINGER OF BRANCHES TO COME

*GFA pioneers a new branch model designed to shift the emphasis from transactions to sales.*

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BY CATHY SISKOS

A decade ago, the grand opening of a tellerless branch on April Fools' Day might have been viewed as a hoax, but the new banking model simply reflects a business reality at GFA Federal Credit Union (\$421.0M, Gardner, MA), where members conduct roughly 86% of their transactions electronically.

"GFA members just aren't walking into branches as much as they used to," says Linda Carmichael, senior vice president for member resources and technology. "And when they do, they're looking for information."

That change in member behavior led GFA to rethink the branch concept at its ninth, newest location in Leominster, MA, which opened this year. Dubbed a "futuristic branch" by a local newspaper, the new model is noteworthy for not only how it functions today but also how it plans to incorporate emerging technology in the future.

"We are laying the foundation for what we expect future branches to look like," Carmichael says. At the same time, the new branch concept also helps advance the goals of a rebranding effort launched last year to promote the credit union's full menu of financial services.

## **AUTOMATION WITH A PERSONAL TOUCH**

The Leominster branch has no teller windows, teller lines, cash drawers, or vaults. Instead, it has four separate counters spread loosely around an open area off of which are three glass-walled spaces for private consultation. Employees greet members as they walk into the branch and inquire about the visit's purpose. Employees then either serve the member at a counter or direct the member to one of the offices for further assistance from the employee or a senior staff member. This method of spreading business around to offices or counters keeps customer lines from forming.

The counters are equipped with a computer, eSigning devices, and a cash-recycling machine that two employees can use simultaneously. The machine is housed beneath the counter and serves as a teller's ATM for cash transactions, both deposits and withdrawals, rendering cash drawers and vaults obsolete. And instead of requiring a teller to count money two or three times for accuracy, the machine counts and efficiently dispenses bills and coins in any denominations a member requests. Meanwhile, the employee is free to learn more about the member and

“We are laying the foundation for what we expect future branches to look like.”

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recommend other financial services that GFA offers.

Both the layout and technology allow employees to work at any counter or machine, a design that encourages efficient service.

“With a traditional teller window, the teller is assigned a cash drawer that only that person has access to, but anyone can step up and work with that recycler,” Carmichael says. “It’s not assigned to a specific employee.”

Like most credit unions, GFA has been shrinking its retail space, and at approximately 2,700 square feet, the Leominster branch is comparable in size to other leaner branches the credit union has opened in recent years. But the new banking model uses the floor space more efficiently. By replacing teller windows with counters, those workstations can handle multiple functions, from cash transactions to loan applications, even new accounts.

#### **A SHIFT TOWARD SALES**

In one sense, the Leominster branch is just the physical environment supporting the flexible staffing strategies many credit unions have embarked upon. Although GFA lacks universal employees, it has replaced the traditional teller with member service associates who are trained to handle a broader repertoire of services, including loan applications. The branch is staffed with three or four associates, an assistant manager, and manager.

The Leominster locale will test additional technologies that, if successful, the credit union will incorporate at other branches. For instance, GFA plans to introduce tablets to its employees at the Leominster branch first but is working on the infrastructure for securing the data. Eventually, the new branch will feature video-conferencing for consultations that require a staff member with certain expertise.

“When a member wants to speak with a commercial lender, we don’t need to have that staff person in the building,” Carmichael says. “We can use video-conferencing at any time without the member having to make an appointment or visit another branch.”

Most importantly, the new model supports a shift in the branch’s role from handling transactions to driving sales of the credit union’s other services. In GFA’s case, that new role works in tandem with its re-branding campaign. GFA’s new slogan is “welcome to better banking.” The new brand highlights the credit union’s four categories of financial services — personal banking, business banking, investments, and insurance — designating each one with a separate color and icon. Every branch, not just Leominster, has been made over with the new brand colors and a feature wall of four images that represent GFA’s full menu of services, which member associates are trained to discuss. The new brand, like the new branch, “is designed to show that we offer a full suite of solutions for all of life’s changing events,” says GFA’s marketing director Lisa Lastella. 🌐

# IF YOU BUILD IT THEY WILL COME

*Northwest Community Credit Union is moving its headquarters to downtown Eugene, OR, in the hopes it will help revitalize an under-utilized area.*

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INTERVIEW BY DREW GROSSMAN

**T**he plot of land at the intersection of East 8th Avenue and Ferry Street in downtown Eugene, OR, is the future home of Northwest Community Credit Union's support center. The four-story building will replace the credit union's current headquarters located in a converted furniture store in nearby Springfield.

The site, which was formerly home to the Agripac Cannery food processing company, served as an outdoor classroom from 2010 to 2013 for students of the University of Oregon. For three years students tended to a community garden and donated the fruits and vegetables of their labor to local charities and social service agencies. Although the program ended in early 2013, the spirit of investing in the land and returning its profits to the community remains.

Downtown Eugene is in the early stages of a renaissance, and Northwest Community's investment in East 8th Avenue has become a legitimizing factor in that process. As of Spring 2013, Lane Community College plans to move parts of its campus to the new downtown, and an area that has long been a source of complaint is now sparking excitement within the community.

Here, John Iglesias, CEO of Northwest Community, discusses why the nearly \$800 million credit union is moving its support center, how it helps the community, and why it is essential to the mission of the credit union.

## **WHAT IS HAPPENING IN DOWNTOWN EUGENE?**

**JOHN IGLESIAS:** In recent years the city has been challenged with businesses moving out of the downtown core. Now that we're coming out of the Great Recession, the city is interested in revitalizing that area. It has a great vision it calls "The Return to The River." That vision resonates with our vision for growth, and we want to be a part of the excitement surrounding the plan to grow the downtown corridor. Our involvement has given the project some energy and momentum.

## **WHERE DID THE IDEA COME FROM TO MOVE INTO THIS AREA?**

**JJ:** When I first came on board almost two years ago, I identified workflow as a point of pain. We've grown steadily throughout the years, but we haven't put a lot of thought into our back office and workflow. One of the things I wanted to do was fix that point of pain for my staff.

We went through the due diligence to identify possible solutions. We kept bouncing it off the board and talking about the concerns we had with space and with planning. We came to the conclusion fairly quickly that we needed to renovate the back office and our headquarters. When we saw the price tag for that, one of the members said, "If we're going to pay that much for a renovation, we might as well think about building a new headquarters."

We started to rethink the fundamentals of our business. We thought it was important that the message be clear that we're here to support our members and our staff who serve our members on the front line. That's why we changed the name of the building from "headquarters" to "support center." We're not detached from what staff does on a daily basis; we're here to support.

## **HOW WILL THE NEW SUPPORT CENTER BETTER FACILITATE WORKFLOW?**

**JJ:** It's going to put people that should work together in closer proximity. Since we converted our core system in 2007 we haven't looked at our processes fundamentally to determine what changes we need to make. We just rolled out our electronic services platform — all of the mobile banking, new bill pay, new online banking, and, soon, remote deposit capture. Taking all that into consideration, we felt being able to design our support center from the ground up is a unique opportunity, especially given this phase of growth we've been experiencing — last year we had





**JOHN IGLESIAS**  
CEO OF NORTHWEST  
COMMUNITY

more than 16% growth in our loans outstanding and our organization is seeing similar growth this year.

**WHAT DO YOU HOPE TO ACCOMPLISH BY MOVING TO DOWNTOWN EUGENE?**

**JI:** Eighth Street is one of what the city calls the four Great Streets of downtown; it's the nerve center of downtown. The city wants residents to want to come downtown, walk around, and experience the area. Because one of the Great Streets is going to run right in front of our building, we want to create a retail environment, more than just a corporate office that houses a lot back-office people that don't have any connection to their neighbors or the downtown area. We want to be a part of that activity.

On the bottom floor of the planned four-story building is one or two retail spaces. We're going to transfer our community room to the new location and create a community center for the benefit and use of the businesses and nonprofits in the downtown

core, offer it to them as a service continuing with the tradition of our commitment to our community and our neighborhoods.

**TALK TO ME ABOUT THE COMMUNITY ROOM.**

**JI:** We've always been committed to small businesses. We have a small business banking group and a member business lending area that provides several services to member business owners. We host seminars in our community room at our current location, and we plan to continue that tradition. We want to open the room to community nonprofits as well as community initiatives. It would be perfectly suited for supporting large groups of people and meetings.

**WHAT DOES THE CREDIT UNION'S RELATIONSHIP WITH THE COMMUNITY MEAN TO YOU?**

**JI:** We see ourselves as an integral part of the community and not just a participant. We're committed to providing support to major city projects and initiatives. We have our Project Community Day where 200-plus Northwest Community employees descend upon the town for volunteer work; it's rolling up your sleeves, picking up a shovel, and taking care of your community.

We believe "local" is critical to credit unions. We only do business in areas we understand. The business we've done in the small business arena is only in places we know and understand, within driving distance and in communities we've invested in.

**WHAT ADVICE WOULD YOU GIVE TO CREDIT UNIONS INTERESTED IN MOVING THEIR HEAD-QUARTERS INTO UP-AND-COMING AREA?**

**JI:** One of the things I love about the credit union community is people will share their thoughts and the process they went through. My most useful advice is: Think long term and don't worry so much about the budget today.

Don't just look at the opportunities of today; think about making opportunities for your future. That takes careful thought and dedicated involvement from your directors. We would never have gotten to this point if it were not for the support we've had from the volunteers on our board of directors. Every step of the way their advice has been critical. 🌱



# Bringing automation and efficiency to your branch



For busy branches like yours, nothing accelerates productivity and reduces transaction times better than the right mix of automation technologies. Cummins Allison's extensive line of ATMs, self-service coin counters, attended coin sorters, check scanners, and currency handling products are designed to improve efficiency, reduce costs and generate positive cash flow. From your bank lobby to your back room to your vault, automation solutions help you do more with less and better serve your customers.

**To discuss how you can automate your branch, contact your local Cummins Allison representative or visit us at [cumminsallison.com/automation](http://cumminsallison.com/automation)**