

WINCOR NIXDORF PERSPECTIVE

True innovation in self-service banking

Bringing together customer experience and branch efficiency

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The rate of change in financial services is growing exponentially. This new, more dynamic banking world has not only created a new generation of customers but has also resulted in financial institutions having to fundamentally re-evaluate their operating models. Led by advances in technology, it is also creating opportunities for new challengers to disrupt traditional business models and create niche footholds in the financial services market.

Evolving the branch channel against a backdrop of changing customer needs and cost pressures requires strong and focused leadership, especially given the convoluted legacy systems and stringent regulations banks have to contend with in the process.

For Wincor Nixdorf, keeping the customer at the heart of all decisions is critical to successful, long-term transformation. Adopting a holistic, overarching strategy that considers both customer experience and operational efficiency as part of the overall customer journey will help drive positive innovation in self-service banking.

Setting clear objectives

Understanding what drives customer satisfaction, operational efficiency and costs in the branch environment will automatically highlight a number of core areas which every bank must address as part of its strategic transformation plans. In this context, it is key to have a better understanding of customers' needs across the range of transactions that are supported in-branch and evolve the operational processes and technology to support them. For example, understanding the difference between simple transactions (fast and efficient) and deeper running service needs (more complex engagements) will help target

areas where technology can aid automation and drive improvements in both customer service and operational efficiency, leaving human interaction for the more deep-seated, complex interactions.

Taking this holistic approach to assessing the efficiency of in-branch procedures will help banks address their existing outdated processes to better reflect the customer, staff and cash journeys they need to adopt.

Innovation in a self-service future

To remain relevant to the majority of customers, financial organisations must find a way to fully integrate the digital world into the branch environment. The high adoption levels of digital channels has clearly shown the relevance they have to today's customer; therefore seamlessly integrating them into customer journeys that are relevant to the branch environment is critical to retaining the branch as a valuable channel. The digital channel mantra of simplicity, speed and convenience will also help drive cost efficiencies that are vital to the long-term success of the branch.

Similarly, adapting the branch experience to better reflect that of a retail environment will also create a far more purposeful environment in which branch staff can engage with customers about their service needs. The branch has come a long way since the primary service points in a branch – the staff – were locked away behind an inch of bullet-proof glass. Technology has provided the tools to radically rethink how in-branch services can be delivered.

Not only does self-service technology have a significant role to play in enabling what are two key transformational factors, but it can also significantly influence the operational costs of running a branch – whether that is by reducing the overall cost of cash (through recycling), automating

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many of the low-value service needs of customers (taking deposits or paying bills) or by better arming staff to serve the needs of customers by providing them with up-to-date customer data on a mobile or tablet device.

The future of the branch network

So what might a branch of the future look like? Formats and locations will adapt to reflect the changing distribution strategies of financial institutions, but ultimately customers will always want some form of physical interaction point from their primary financial services provider. The trick is finding the right balance between self-service and human interaction.

Exciting innovations in branch technology offer new promise in helping financial institutions re-evaluate their branch strategies, enabling them to deliver more effective customer services whilst simultaneously tackling the overhead costs associated with running a branch network. Options are wide and varied and range from multi-functional devices that enable customers to complete a variety of transactions (some of which will have been started/pre-staged before entering the branch) at a single service point to virtual teller ATMs which use video to connect consumers to a live representative in a pop-up branch.

The adoption of automated self-service systems, biometric technology and video and voice recognition software provide the tools through which banks can dramatically change the bank branch of the future.

Improving the overall customer experience

Operational efficiency and customer experience should not be seen as being mutually exclusive, and both need to be central to any transformation strategy. Financial institutions need to challenge themselves on how to leverage innovation in technology to reduce costs and improve the

overall customer experience. Customers demand a flexible, convenient service where and when they want it, and innovation in self-service banking as a whole can play an important role in enabling this. Getting the balance right not only involves achieving the right mix of channels – it also involves addressing how these channels are integrated.

Considering in-branch innovation as part of the overall customer journey is vital. The use of digital technologies and the rise of omni-channel services now give financial institutions an unprecedented opportunity to deliver a truly integrated consumer experience. Exploiting innovative new concepts and technology presents a great opportunity to break down the silos between different banking channels, creating an omni-channel platform for banking services not only now, but also as a basis for future development.

Self-service is transformation

The prediction that the day of the bank branch is over was a little premature. Whilst it is clear that the old format of branches is no longer viable in today's world, rolling out new concepts that focus on convenience and support relevant customer journeys will retain the branch as a central distribution channel for mainstream banking tomorrow. Delivering a personalised service that marries human contact with automation and self-service is key to ensuring the customer remains at the heart of the branch delivery model.

Wincor Nixdorf understands it is important not only to listen to customers and deliver the service they expect in an increasingly customer-centric industry, but it is also important to achieve branch efficiencies and effective in-branch journeys in order to achieve innovation. Ultimately, the aim is to improve customer service and deliver true business results. ■

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