

Orchestrating the Shift: A Financial Industry Roundtable

Read how four banks are eliminating silos and honing in on consumer journeys.

There are a couple of interesting, opposing forces at work in the financial industry these days, and they're causing trouble for many financial institutions around the globe. The pace of change has increased dramatically—everyone is looking over their shoulders at non-traditional competitors and fintech startups—but there's often still a sense of inertia around making transformational changes. The opposing forces tend to play out in one of two ways:

- FIs rush to adopt whatever new feature their competitor has just implemented, or whatever new technology seems most buzzworthy at the moment, without doing the due diligence to understand whether it's right for their customers or their long-term growth strategy.
- Individual departments in the FI pursue new strategies or change processes without thinking through how those changes will impact the rest of the organization—or their customers—so initiatives that seemed to have so much potential end up failing.

Both of these approaches travel the path of least resistance: they may move the needle momentarily, or excite the board of directors, but how are they helping lay the foundation for the future?

As physical and digital channels converge and become one seamless ecosystem (at least from a consumer's point of view), it's critically important that banks view branch transformation through the lens of a holistic strategy. Rather than focus strictly on modernizing the lobby, or migrating transactions to the ATM, strategic branch transformation can give FIs a deeper understanding of their customers' needs and pain points, and enable them to implement changes that may incorporate more than one channel—and thus involve more than one department inside the bank. The Diebold Nixdorf Advisory Services team has worked with clients around the globe to help build roadmaps specifically devoted to transformation—because when they peeled back the curtain at FIs, they found that time and again, the teams hadn't really thought out their long-term transformation journey or developed a more comprehensive implementation plan to support new solutions.

Chris Gill, Diebold Nixdorf's Senior Director of Advisory Services, says a good place to start if your organization is trying to shift to a consumer-journey-focused strategy is to look at individual customer interactions, and map every possible journey with the processes behind each step in that journey:

- 1 DEFINE THE "IDEAL" EXPERIENCE FOR A PARTICULAR JOURNEY (FOR EXAMPLE, MAKING A CASH DEPOSIT):**
 - Define target experience expectations
 - Create ideal (future-state) consumer journeys
- 2 DEFINE THE CHANGES TO PEOPLE, PROCESS AND BRANCH DESIGN REQUIRED TO DELIVER THE IDEAL JOURNEY. FOR EXAMPLE:**
 - Determine the required lobby management approach to introduce customers to depositing at the ATM
 - Identify the employee skills and training required to deliver the journey and meet customer expectations
- 3 OPTIMIZE YOUR TECHNOLOGY:**
 - Determine the functionality required on self-service and digital channels and the relative importance of adding new features.
 - Ensure self-service devices are optimally located in the branch to facilitate customer adoption.



Chris Gill
Senior Director of Advisory Services,
Diebold Nixdorf

“Many FIs have yet to do the work of conducting a comprehensive analysis of their branches and customer channel usage, instead relying on anecdotal evidence, or, worse, making decisions based on their own gut instincts. That’s where an industry partner can provide the necessary depth of expertise to quickly analyze and guide the development of a transformation roadmap.”

Chris Gill | Senior Director of Advisory Services, Diebold Nixdorf

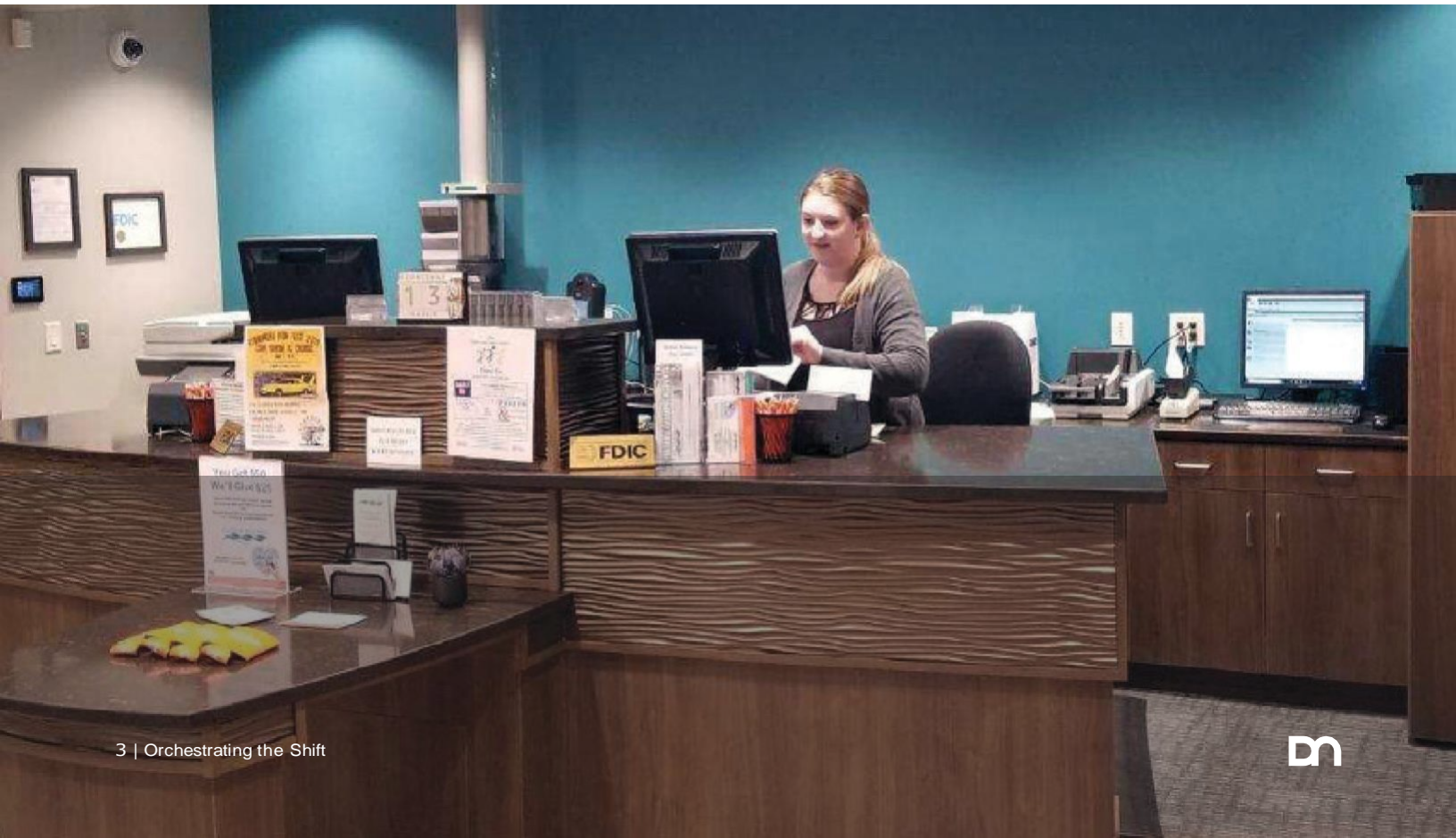
Advice and Analysis Post-Merger

Community First Bank, Wisconsin

Community First Bank and Livingston State Bank, two independent financial institutions located in Southwest Wisconsin, orchestrated a “merger of equals” in late 2016 that led the organizations to take a holistic look at their new branch network.

“We had been talking about branch transformation for a while,” says Community First Senior VP Ken Schweiger. “Our locations varied from branches that didn’t even have an ATM, to locations that were fairly modern and could support transformation initiatives pretty easily. However, we knew it would be too costly—and inefficient—to implement sweeping changes across all the branches. We knew we needed a third party review, someone who could look at our entire network and counsel us strategically.”

DN’s Advisory Services team provided comprehensive data analysis of a new branch location, identified specific technology enhancements that would provide the best ROI at individual locations and acted as a trusted party outside of the bank. “We wanted to make sure we were making the right decisions for each of our branches,” Schweiger explains. “There’s a fair amount of emotion involved when you bring two organizations together, and we wanted to show our staff and our customers that we were really doing what was best for the branch and the community each branch serves.”



Implementing Automation, Keeping the Staff

First Citizens National Bank, Tennessee

From the very beginning of her bank's transformation journey, Judy Long, President and COO at FirstCNB, has made it clear to her staff and her community that new technology and automation will not come at the expense of cutting employees. But she realized that change was coming to the industry—and she knew FirstCNB needed to be ready for it.

"Our goal has always been to remain an independent community bank," she says, "but we also want to look like a progressive community bank. Diebold Nixdorf Advisory Services brought in the right model for us: people to help us with training our employees in new ways, flexible branch designs that accommodate the way our customers want to interact with us—it's a model that works in a traditional environment and has helped everyone adapt much more easily."

With DN's help, the bank has transformed the way they hire and train staff, helped retrain existing staff and drive up product and services sales at the same time. Natural attrition and shifting employees to new branches has ensured that as new technology like teller cash recyclers are implemented, there's no need for staff reduction. "After five years on this journey, we're seeing the payoff: among our employees and our executives, there's buy-in, there are requests for new technology. It's taken five years, but the model is in place, and it's working, and our training division has embraced it. We're excited for what the future holds."



Global Experience Enhances Local Values

First Hawaiian Bank, Hawaii

The bank was focused on driving transformation initiatives, but was concerned with the number of projects running in parallel and needed to ensure that everything folded into their broader strategy.

“In Hawaii, because of our geographic isolation, there’s a lot of uniqueness in our marketplace. Often, when engaging with outside consultants, they miss the nuances of our market relative to our mainland peers, and fail to take into account the differences that make our bank and our region special,” says Senior VP James Kaneshiro. “When we met with the team from Diebold Nixdorf, we were impressed with their breadth and experience, but especially with the time they spent with us, working to understand these unique market differentiators.”

“The DN team took into account our ‘big picture’ and helped us expand and explore our digital engagement strategy holistically,” says Kaneshiro. With the support of Advisory Services, the First Hawaiian team got validation on key assumptions, new insights on their data and suggestions on where to course-correct midstream. “The value we’ve gotten from DN is definitely the relationship—that’s how we like to work with our partners. Working with them has been easy, and throughout the entire process they have consistently understood how we want to serve our customers.”



Strategic Support for the SMB Segment

Investors Bank, New Jersey

The executives and board at Investors pinpointed the small- and medium-business segment as a critical growth factor, and brought in DN Advisory Services to help them formulate a roadmap with actionable key areas within the SMB segment that the bank could deliver on.

“Like many community banks of our size, we were starting to think about what our future might look like,” says Bill Brown, Chief Retail Banking Officer at Investors Bank. “There’s so much out there in the news, and at conferences, and in many ways it’s overwhelming for a bank of our size. We were looking for the right partner, some trustworthy thought leadership and a field guide we could use to drive our strategy.”

“Larger banks have a department they call ‘Strategy,’ but the reality at a bank our size is that everyone here sells. We recognized that the cost of bringing someone in-house, it was really contrary to how we think a community bank should operate. By outsourcing this ‘thought leadership’ component of our strategic growth plan, we were able to tap into experts who have done this work with clients around the globe. And that’s what we got with the Diebold Nixdorf team.”



“No matter what kind of financial institution you run, no matter where it’s located or how big or small it is, you’re never going to need ALL the technology available out there today—just like your organization certainly won’t implement every new marketing strategy you see or buy into every single advertising channel. As consumers set the bar higher and higher, it becomes more important than ever to think critically about how your organization can grow most effectively, and in ways that matter most to your customers.”

Chris Gill | Senior Director of Advisory Services, Diebold Nixdorf

JOURNEY INTO THE FUTURE

Gill advises every new bank to conduct due diligence on any large technology purchase so you know it’s a sound investment. His team is armed with best practices learned in the trenches from financial institutions around the world, and they are focused on helping enhance consumer journeys in meaningful ways. And for the Advisory Team’s clients, that expertise has made all the difference.

Learn more about how the Diebold Nixdorf Advisory Services team can help you transform your future. Contact your Diebold Nixdorf representative today.



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