

“Small Branch” Design Principles

Introduction

An optimal small branch design is not merely a reduced version of a conventional branch layout.

Delivering a consistently positive “customer experience” requires maximizing the efficiency of branch personnel. Staff availability is a critical factor in meeting customer expectations; it is also essential for maximizing sales opportunities. Therefore, the inefficient use of staff resources is totally at odds with the branch’s primary sales and service objectives.

This axiom is true equally at branches of all sizes. However, achieving the efficient utilization of staff becomes more difficult as the headcount is reduced. Common attributes of conventional branches contribute to a breakdown of customer service quality when staff numbers fall below a threshold level.

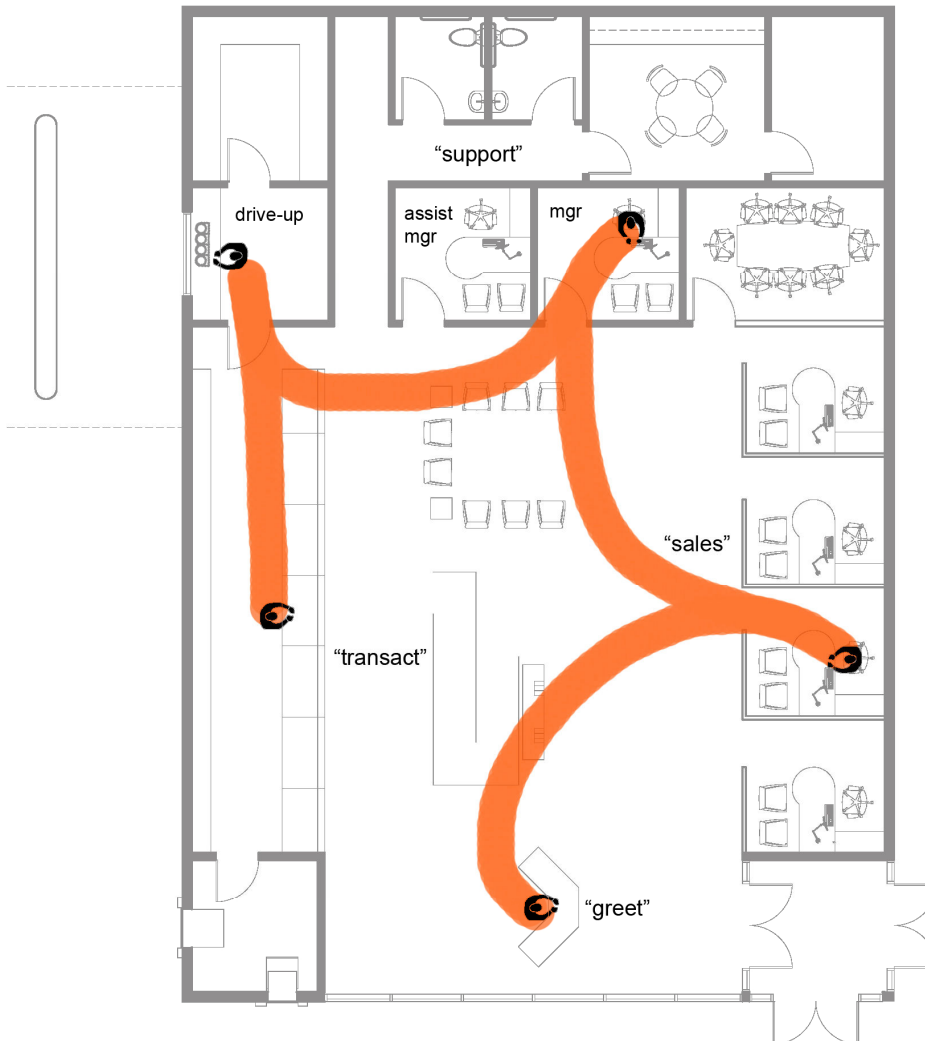
As banks seek to deploy smaller branches, which can operate at reduced cost levels, it is essential that appropriate adjustments be made in the design of these branches, to improve staff effectiveness.

Conventional Branch

Despite significant variation in the character (or “look and feel”) of branches among numerous competitors in a given market, most branches have fundamentally similar layouts. As illustrated in the typical plan below, branch staff are most often grouped in distinct activity zones, which are arrayed around the perimeter of the branch, with a large central space (the “bank lobby”) allocated to customer circulation and customer waiting.

As staffing levels decline, these scattered staff members become increasingly isolated from each other—eroding staff effectiveness. This situation is not significantly changed by simply reducing the square footage of the branch.

Travel path for branch staff



conventional branch

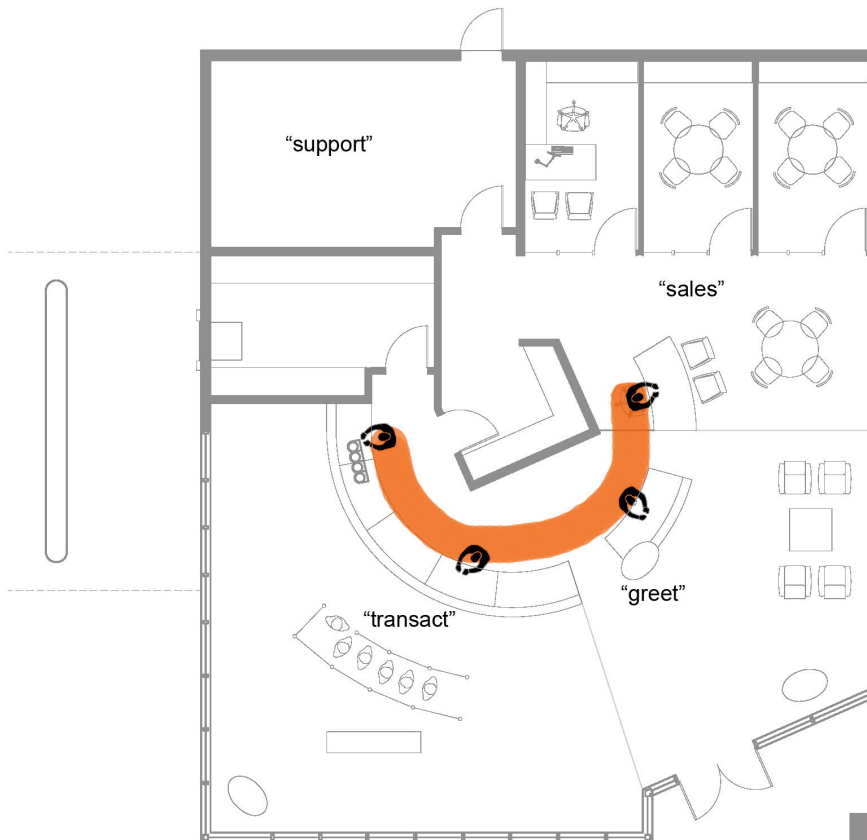
The long travel distance between branch components also interferes with the ability of cross-trained staff to adapt to fluctuations in branch traffic and customer needs. The best utilization of a small staff is achieved when each individual is capable of performing a number of different tasks, and can switch from one activity to another easily. In the above diagram, it is prohibitively cumbersome for a customer service rep or greeter to shift to a teller station in response to customer traffic.

Proposed Branch Layout

A branch designed to maximize staff efficiency and effectiveness will:

- promote teamwork by decreasing barriers and increasing opportunities for communication between staff
- enable team members to easily shift between tasks on an as-needed basis in response to shifting traffic patterns, to meet sales and service priorities
- promote a consistent, high-quality customer experience, even under low-staffing conditions (such as, extended hours)

The branch plan shown below achieves these goals by consolidating the staff into a compact area at the center of the branch. A variety of “activity zones” are arrayed around this staff core.



efficient branch

Each activity zone can have a distinct physical setting, from the rope-line and “teller counter” in the transaction zone, to a sit-down counter and enclosed meeting rooms in the “sales” zone. Yet, the configuration makes it easy for a “universal” staff person to shift tasks by taking only a few steps in either direction.

The plan also supports a more-nearly seamless transition between activities for any individual customer. For example, a question asked during a routine teller transaction might indicate a service need or sales opportunity, which might be more effectively discussed by moving with the customer to an appropriate setting. In many cases this approach will be more effective—and better received by the customer—than referring him or her to someone else on the opposite side of the lobby.

This configuration departs from conventional practice in order to achieve specific strategic objectives. It represents a facility response to the evolving needs of financial institutions seeking a cost-effective branch format capable of meeting the highest levels of service quality.