Putting the Right Skillsets in Front of Your Customers

By Deb Stewart

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While some branch locations are closing and footprints are shrinking, branches continue to play an important part of the overall customer experience.

According to a recent *JD Power U.S. Retail Banking Satisfaction Study*, overall satisfaction is higher among customers who use both the branch and mobile banking. Considering customers go to branches for human interaction and majority of sales still occur as a result of those human interactions, planning and scheduling branch staff is more important now than ever.

A *2016 report by CNBC* made some well-supported observations on staffing at bank branches. Pointing to work by Bank of America, they found "the number of "sales specialists" is up 13 percent year- over-year, while full-time employees (which includes tellers) is down 1 percent year-over year to start 2016." At JPMorgan Chase, they noted a shift to more self-service offerings to free up specialists. "The bank's traditional ratio of 60 percent transactional staff and 40 percent advice staff at legacy locations is flip-flopped at new, smaller centers, where 60 percent of the staff provides financial advice." Other banks, including Bank of the West, are also flipping their advice to transaction ratio across branches with a focus on time rather than FTE, targeting a 70/30 mix in the near future.

What's the takeaway? Strategic staffing focus is shifting from reducing staffing levels in branches to putting the right skill sets in front of customers. Today's questions are directed to finding the right mix of transactional to advice staff in each branch or market. And, where to deploy general sales specialists, mortgage, investment or business banking experts.

David Cash, Vice President, Director of Integrated Channel Strategy at Fifth Third Bank describes part of their approach. "It's a significant challenge to address customer demand for service and deepen customer relationships with minimal staffing levels. When personal bankers are having to play teller roles because of unexpected absent staff or transaction peaks, that means they're not available to sell. In order to put the right skills in front of our customers, we're relying on predictive analytics. That helps us determine optimal staffing mix and address questions such as what is the appropriate the mix of universal bankers and personal bankers or what is the optimal full-time parttime mix."

Making the wrong decision on putting the right people in the right place at the right time impacts your customers. Too many staff in the branch wastes money, too few wastes opportunity.

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Position Planning Driven By Predictive Analytics

Branch staffing models are traditionally driven by transaction data and staffing mix based on branch type which result in an aggregate staffing guideline for each branch. Bob Borgstrom, Director of Client Management at Kiran Analytics, says, "Position planning driven by predictive analytics takes the traditional baseline staffing guidance and adds insight and specificity to that aggregate number."

Borgstrom explains, "Let's say that Branch A has a baseline staffing number of 8 FTE. Four or five different staffing mixes could meet customer activity. In an average market, optimal staff may be 4 tellers and 4 platform staff. In a static market, where you're looking for the most cost effective approach, you may have 3 universals, 3.5 tellers and 1 platform staff. In a growing market, you may want 4 of the 8 to be platform staff with one specialized in investments or mortgage. You will save money and enhance revenue by investing in some markets and focusing on cost control in others."

As you synthesize this data, develop several different staffing complements that will generally meet the needs of each of your branches or markets. "You may not be able to move to your optimal staffing model in one step. By developing a sequence of models you have a plan," Borgstrom continues. "Staffing errors are not easy to correct. Hiring, training or potentially displacing people is difficult and expensive. By understanding your optimal mix by branch/market, you'll make staffing decisions that maximize potential."

Technology, Branch Staff and Putting it all Together

With rapid growth of mobile banking and in-branch self service technologies, banks must evolve their branch workforce to be tech savvy and digital native. What's the first step in making that happen? Your branch associates need to also be engaged customers, using the same products and services that they are introducing to customers. Tom McDermott, Managing Partner of Inver Consulting Group says, "Often branch staff aren't wellversed in their bank's own digital capabilities. First of all, regardless of their position, every branch employee should be an evangelist for technology so they can help improve customer adoption.

Secondly, when planning and scheduling staff members, branch managers should account for the staff time necessary to introduce and support customers with new technology. In the long run, this approach will free up branch capacity to drive revenue."

Mr. Cash stresses the importance of involving retail management in the execution of these plans. "Region managers are critical to executing our branch transformation initiatives. Their leadership and mentoring makes our branch managers more engaged and productive."

What's at stake?

"Making the wrong decision on putting the right people in the right place at the right time impacts your customers," Borgstrom continues. "Too many staff in the branch wastes money, too few wastes opportunity."

As you establish and execute your staffing plans, recognize that this is a continuous process. Customer behaviors will continueto change, markets will evolve and your delivery strategy will develop—building an analytically based, repeatable process for matching staffing to shifting opportunity will be a key to every retail bank's future success.

Borgstrom recommends starting with some basic information:

Identify profitability potential for each branch/ market —high,average and low.

Identify interdependencies between branches indicating the need for analysis at the market level.

Identify all positions that you will use in your branch staffing mix—tellers, universal bankers, personal bankers, specialized personal bankers (investment licensed, business banking focused, mortgage specialists), managers, assistant managers, and others. Understand what these positions cost and the revenue you receive from each in varying geographies.

Don't forget to account for the staff hours to help customers with digital banking and self-service demos and training.

Consider the time necessary for non-customer facing activities such as operations, training/ coaching, compliance, etc

Identify which, if any, positions can be part-time and the maximum percentage of staff in any branch can be part-time.

Determine your service level targets. All teller type transactions served within x minutes and all platform type transactions served within y minutes. Establish a tolerance range for these targets. Do you want to meet them 70, 80, or 90 percent of the time? Don't rely on your internal data alone. Use external data to understand market potential including housing growth, new business starts, investable assets… don't assume that your current customers represent the true opportunity in each market.

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