



# BankNews

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# Improving the Customer's Branch Experience

**B**anks, and branch banking in particular, are constantly faced with a balancing act. On one side of the tightwire, they are assessed and reassessed on how to staff branches as efficiently and as cost-effectively as possible. On the other side, they are charged with improving the customer experience and, by extension, expanding the customer's relationship with the bank.

Through the years, branch banking has deployed personnel in different ways trying to walk this line. Branches have had platform personnel serve as “concierge” to make the customers stay in the branch more enjoyable. They have asked tellers to offer other products based on customized screen prompts or their latest offerings. They have called themselves stores rather than branches. But what are branch banking customers shopping for?

Before we answer the question we need to ask, “Do branch banking customers see themselves as shopping in the branch?” A Gallup survey of how U.S. customers prefer to interact with their bank showed that almost two-thirds of banking customers prefer to make deposits in the branch while less than 40 percent prefer to learn about products in the branch. The survey also found that when customers cannot use their preferred channel, they are less satisfied with their banking experience and more disengaged with their bank as a whole than those who use their preferred channel for bank transactions. Such survey results suggest that customers are not so much shopping

in the branch as they are looking to successfully complete their transactions of choice when they go there.

From the customer's perspective, the new wave of taking deposits may seem more complicated and time-consuming, maybe even more convoluted. Before imaging, the customer walked into the branch with checks and a deposit slip; handed the items to the teller who stamped the receipt and returned it to the customer; and the customer walked out satisfied that his or her money was safely in the bank. And if the branch was crowded, oftentimes a “concierge” would handle the deposit while the customer waited in line, provided there was no cash in the deposit. If there was any mistake — and there rarely was — the customer would be notified of it the following day.

With image-based processing, the customer walks into the bank as they always have. But from that point forward things have probably changed. For those banks that use back-counter teller capture, also known as branch capture, the customer experience in the branch is largely unchanged. If the bank uses teller capture, however, then it is a very different customer experience. If everything goes well, it can — and should — be a more pleasant experience. If the deposit transaction process is less than optimal, then the experience is much less so.

A deposit composed of many checks will now take longer than it did previously, but it is an opportunity for the teller to engage the customer. Yet if everything does not go well, the teller is occupied correcting the

problems causing the delays, and the added time can become a source of annoyance to the customer and those waiting in line.

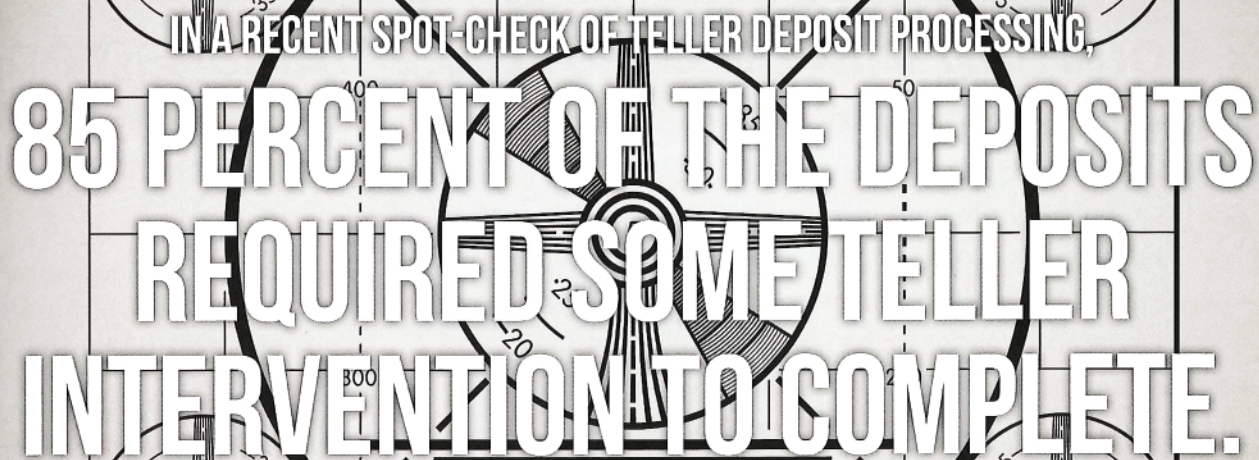
From the customer's point of view then, what does this instruct banks to do? The message seems clear: Banks should prioritize processing deposits as quickly and correctly as possible. To accomplish this objective, they must eliminate any and all things in the deposit process that might not go well.

The reasons why processing a deposit transaction is halted or fails can be categorized into two groups: mechanical/technical problems and human/operator problems. The former category consists of things like feeder and track jams, read errors and poor-quality images that preclude good information from being passed to the system. The latter category consists of things such as addition and input errors, missing or extra items in the deposit, etc. Of the two, most problems that require teller intervention are of the mechanical or technical nature: feeder jams, piggybacks, unreadable MICR characters and uncertain item amounts.

In a recent spot-check of teller deposit processing, 85 percent of the deposits required some teller intervention to complete. Of these, 80 percent of the non-track errors (i.e., jams and piggybacks) only required amount entry or character correction by the teller. And they occur while the customer is with the teller, so these need to be addressed if we are to ensure that the customer has a good experience while conducting his business in the branch.

The technical snags that delay the teller completing the deposit are fairly





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**PLEASE STAND BY**

straightforward. If we think about what happens at the teller station, it is easy to identify where the snags occur. Once a teller receives a deposit from the customer, the transaction is started on the workstation and then the items are placed in the scanner. From there the scanner should be doing all the work. The scanner feeds each item into the track, reads the MICR line and captures the image of the check (front and back) and then parses that information to be certain that the system has everything it needs to successfully complete the deposit. That means reading all the required MICR characters on the check and capturing a quality image so it can recognize the amount of the check. Once that is done for each item in the deposit, the system will perform the simple arithmetic to assure that the deposit is balanced.

Yet, more times than not, the process does not go well. In fact, in speaking with experienced tellers in a large commercial bank, I learned that the number of deposits that require

no teller intervention is "maybe 6 or 7 out of 100, if you don't count the real small deposits."

That means that the system was not able to read all the required characters on the MICR line or was not able to confidently lift the amount of the item from the image of the item. Even worse, the system might have lifted the wrong amount from the image so the deposit did not add up correctly when the system tried to balance the deposit. Possibly the item physically jammed in the feeder or on the track and the teller had to intervene to get it to move smoothly along through the scanner. All the while the customer is standing and idly watching the busy teller smooth items, page through the screen to find the offending item or just doing data entry for the missing, but necessary, information. This is a far different experience than the pre-image process when the teller would smile, take the items in deposit, stamp and return the receipt to the customer with a smile and a wish for them to have a nice day.

The good news is that there are ways to address these seemingly simple problems that do not require specialized skills or significant capital outlay. Regularly scheduled maintenance can significantly reduce these errors. Feeder and track jams, piggybacks, unreadable MICR and poor-quality images are often the direct result of dirty scanners. Seeing that a regularly adhered-to cleaning schedule can reduce these interruptions, the branch's customers will spend less time waiting for the deposit to finish and the tellers can spend more time with the customers while they are in the branch. •

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