

Universal Bankers SWARM ■ Fintech Charters ■ Mobile Payments

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Cybersecurity Without **'BREAKING THE BANK'**

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By the end of this month, covered entities were expected to meet the standard-setting requirements.

A photograph of a bank lobby. A woman in a white button-down shirt and dark skirt is shaking hands with a customer wearing a red cardigan and grey skirt. They are standing at a curved wooden counter. On the counter, there is a sign that says "BONUS BANKING CUSTOMERS" and "Use Your Debit Card". In the background, there are digital screens displaying bank-related information and a sign that says "What a bank should be".

The UNIVERSAL Banking Experience

A Texas bank pioneers the SWARM model for the lobby.

By James Geeslin and Lindsay Green

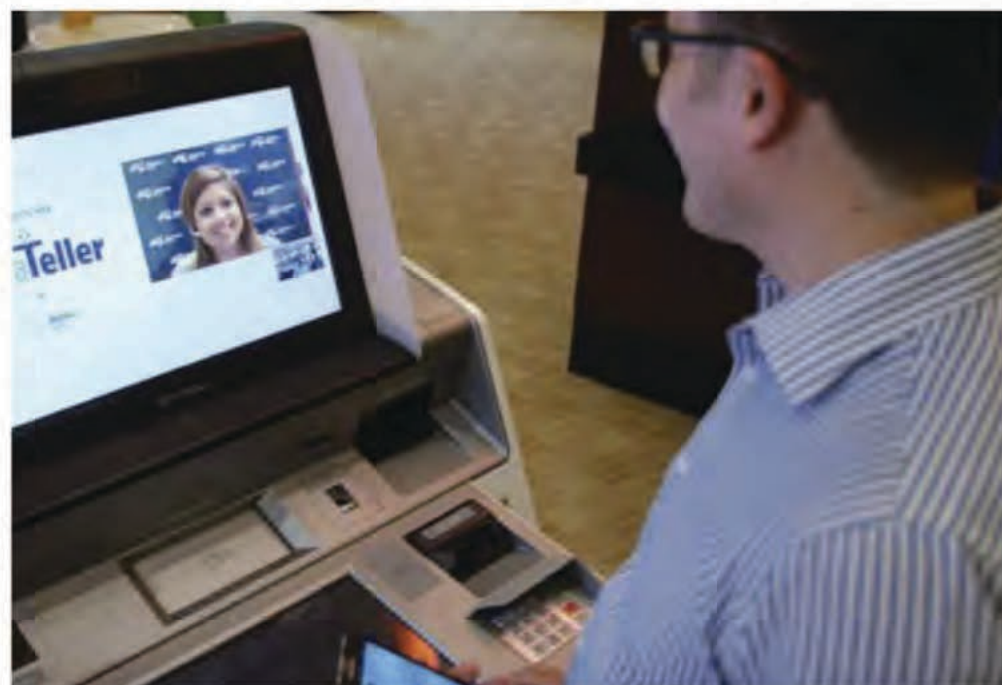
The rapid rate of technological advancements has finally caught up to the banking industry. Not only can consumers experience banking technology enhancements via their mobile devices, but technology has also demanded upgrades to the bank lobby experience as well. Financial institutions should concentrate on enhancing their lobby experience, as there are fewer opportunities to make an impact on customers in the financial center due to declining lobby traffic for routine transactions.

In fact, there really isn't much need for many cash drawers or traditional teller stations in the bank with the arrival of cash recyclers and pod banking experiences (free-standing discussion centers). The enhanced technology led to making transactions more efficient, which led to redesigning bank lobbies to support movement in the financial center with pod banking experiences. Essentially, the technological advances have prompted the customer interaction options available in upgrading the financial center experience.



In effect, the technology advancements have enabled or allowed for universal employees. Extraco Consulting partnered with Extraco Banks and developed SWARM Banking more than 10 years ago. SWARM Banking is a universal banker model, allowing full movement in the financial center — or SWARMing to where the customer traffic is in the lobby. Employees are trained to focus on quality conversations and provide a full-service experience to customers, whenever possible. Technology is one of the four main components of SWARM Banking (see diagram, above), but notice where it is in the progression. It enables the change in experience but it is not the first step in the process. Most organizations purchase technology first, but we learned firsthand that you can't buy your way into efficiency — that's where the people, products, processes and technology are related as the foundation of the model.

For instance, in changing the customer experience to a universal banker model, the people component was the first step in the process that needed to be considered and modified. There needed to be new job tasks performed to support the experience objectives, enhanced and much more robust and structured training, as well as a new hiring model for future employees. There was truly a change-management process required to support the change in expectations and delivery of the service model, illustrating that banking background is no longer the most important attribute for a new employee. Instead, hiring for personality became the most important objective, as we have



a robust training program that can certify someone to become a banker. This new hiring model allows for additional flexibility in recruiting talent to provide a superior customer experience.

The next step is to focus on the products offered, supporting market demands while keeping products simple to explain and understand. In some cases, financial institutions may offer too many products for employees and customers to truly understand. In fact, institutions that have been around for longer periods of time may even need to review their grandfathered accounts to determine if they need to be streamlined in an acceptable manner to their customers.

The third component, processes, is extremely important to support true efficiency in daily operations, as well as the desired customer experience. Some processes may need to be modified to provide empowerment to the frontline employees to have ownership of the customer experience. Other processes may need to be centralized in the back office to remove the administrative tasks on the frontline and support quality conversations with customers. It is important to map each process reviewed from start to finish, not skipping any steps, including all departments involved. For instance, don't just map the front-line or operational aspects of a process, instead the process needs to be all encompassing. The objective of the project is to focus on the desired customer and employee experience in all interactions.

Technology, the fourth component, is the hub and enabler of the experience. It's important to note that if you don't have the other components around it and in the correct order, it is hard to be successful and fully experience the efficiency benefits. In fact, last year Extraco Banks and Extraco Consulting worked with Jack Henry and Associates to become the

BRANCH USAGE AND OVERALL SATISFACTION

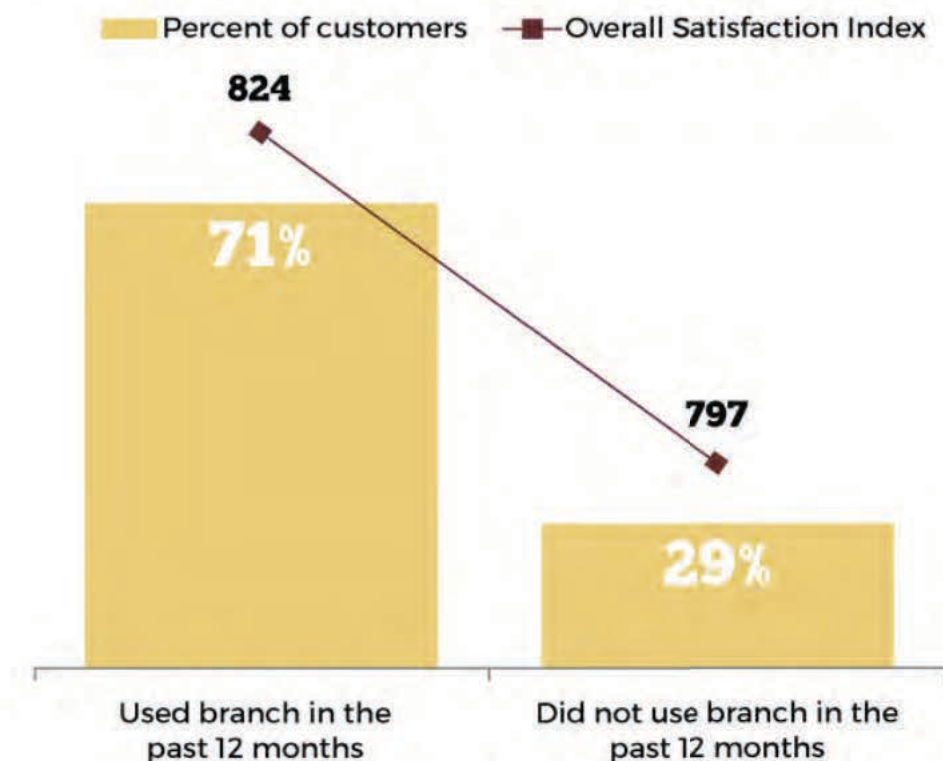


Chart information provided by J.D. Power 2017 U.S. Retail Banking Satisfaction Survey.

certified beta bank to continue their branch transformation strategies with the launch of "ExtraBanker." This is a full-service and self-service delivery channel, both inside and outside of existing branches, allowing customer transactions to be serviced by an off-premises relationship banker via video technology. Extraco focused on choosing a solution that could provide direct integration to the institution's core system and remove the necessity to re-key every transaction into the core, which simultaneously removes the prevalence of human error and provides a more efficient process to support an enhanced employee and customer experience. This integrated approach will shorten the return on investment for this type of technology dramatically.

In conclusion, branches aren't going away, but financial institutions should consider upgrading their technology to match the culture of customers with the technology available to support customer preferences. Technology is constantly evolving and financial institutions need to focus on enhancing their people, products, processes and technology to continue to be successful.

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KEY TAKEAWAYS:

Financial institutions should concentrate on enhancing their lobby experience, as there are fewer opportunities to make an impact on customers in the financial center due to declining lobby traffic for routine transactions.

SWARM Banking is a universal banker model, allowing full movement in the financial center — or SWARMing to where the customer traffic is in the lobby.

With the new model, a banking background is no longer the most important attribute for a new employee. Instead, hiring for personality is the most important objective.

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What has been your bank's experience with transitioning to a universal banking model?