



an NTT DATA Company

Life after Covid19:

How to adapt the branch network to a new reality

everis Digital Banking

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The branch network:

a review of physical distribution strategy now requires a well-balanced combination of actions that involves technology, experience design and business considerations...

Physical distribution strategy



01

TECHNICAL LINE

Through technology financial institutions can provide high levels of in-branch security leaning on new protocols and increase the use of digital channels as an extension of the branch.

02

EXPERIENCE LINE

The experience has to be focused on both customers and employees, strengthening their ability to be partners. Both groups need to adapt quickly to uncertainty going through a disruptive change. It's a priority to bring them closer.

03

BUSINESS LINE

The branch network requires a business perspective review to cope with a lack of agility and homogeneity in the procedures; meaning an unprecedented context in which changes are disrupting the business.

A dual channel strategy focused on:

- (1) enhancing on premise services and
- (2) revamping and consolidating digital relationships,
thus linking customers with advisors

01 TECHNICAL LINE



Once the first wave of the crisis has passed, the branch network will still keep its role as the main relationship and business development centre. Standardizing the new relationship model will probably take more time than we expect, and that is why providing the best possible experience is key. Avoiding queues and crowded places, controlling branch capacity, and designing a contact-free space (preventing physical contact and direct interaction with devices) are essential aspects to be considered. Additionally, new digital relationships and remote advisory services will become more important subjects.

For services that remain in the branch...

- Appointment management devices.
- Queue management systems.
- Intelligent capacity control systems.
- Digital signage lead time protocols.
- Temperature control devices.
- Contact-free access.
- Contact-free ATMs.
- Contactless biometrics.
- Contactless screens.
- Hands-free sanitizers (air purifier, vaporizers, gel sanitizer, UV light).
- Workspace safe and efficient.
- Intelligent distribution of physical elements designed to minimize contact.
- New cleaning policies.
- Paperless.

For services that are being move from branch to digital...

- Remote management models.
- Collaborative working tools.
- Advanced reporting and decision-making tools.
- Financial planning tools.
- Immersive experience platforms.
- Digital channels security and fraud prevention tools and protocols.

**Our society has experienced
an unprecedented level of disruption that
affects the way employees do their job
and the way consumers manage their
finances...**

02 EXPERIENCE LINE



Ensure the employees experience...

Adopting prevention measures:

- Daily surveys to track the employee's exposure to the virus
- New mobility services: parking spaces, shuttles, etc.
- Virtual doctors and psychological assessments
- Prevention materials for all employees
- Financial managers doing shift work

Adapting their daily activity to the 'next' normal:

- New work-life conciliation policies
- Remote leadership and team management models
- Virtual client meetings
- Critical staff availability policies
- Robotic process automation for manual tasks

Providing 360° security:

- Physical, digital, and professional

"The next sales normal":

- Earn and keep engagement with customers
- New commercial incentives scheme

Enhance the customer experience...

Improving their experience in branches:

- In-branch security
- In-branch efficiency

And also in digital channels:

- Strengthen digital tools for high-value services
- Customer analytics and key data availability
- New support services

Offering new ways and opportunities to customers:

- Remote financial advisory
- New health insurance products
- Help customers use new digital resources
- Virtual agents and voice assistants

From a flexible banking model in which a bank can react to “expected changes”, to an agile model where reacting to “unexpected changes”...

Rethinking the commercial model...

Branch E2E sales processes digitalization

A massive branch sales processes digitalization should include those processes where customers have so far been required to visit a branch; such as signature or getting advise on complex products. This transformation makes employees able to act as remote sales agents.

Transformation of the in-branch commercial model

New procedures will have a major importance to achieve the commercial targets set for the branch staff. The time used to connect with customers through outbound sales calls will definitely be longer since the branch employees will have less customers to physically attend in the branch.

The branch “orchestra”

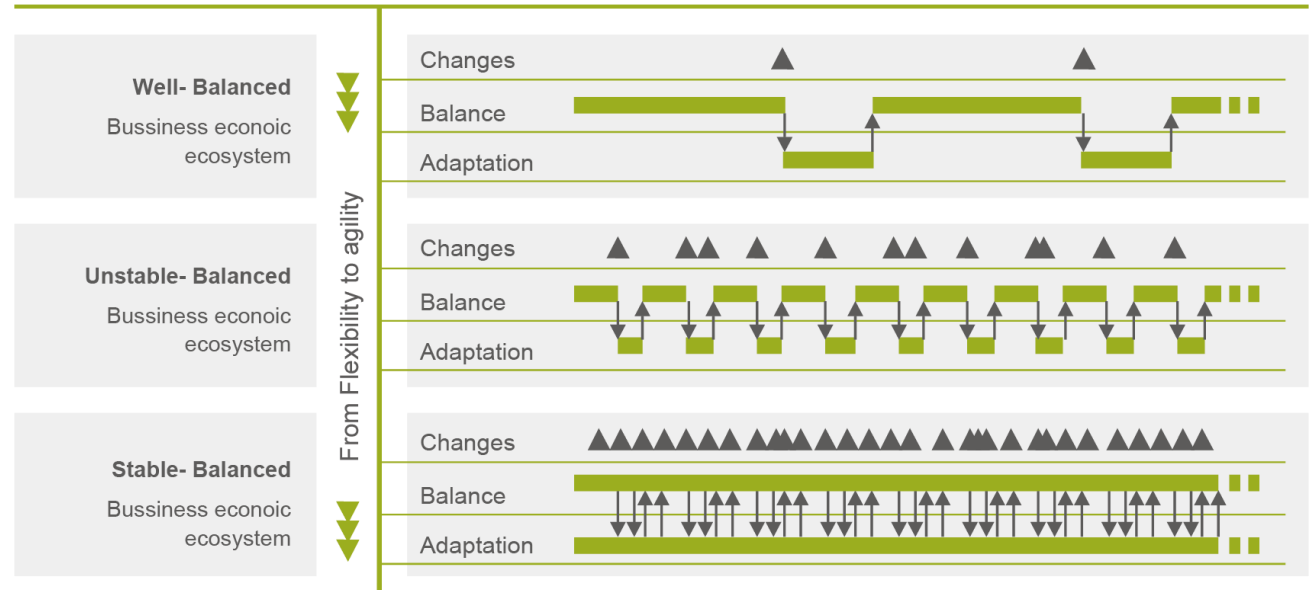
Namely the to-do list for each branch role: tellers, advisors, branch managers, etc., will change becoming less physical-oriented in branches, and more focused on remote sales and advisory services for retail, SME and corporate customers.



Adjusting offering to real demand...

Banks need to re-think on the right branch model

Having a look at the type of branches that operate in each geography and seeing whether they could implement changes, according to customers emerging needs. Example: a full-scope service branch would be transformed into a kiosk with remote assistance and interactive teller machines, if customers profiles started to become more digital/remote.



Conclusions

In a nutshell, a review of the physical distribution strategy now requires a well-balanced combination of actions that involve technology, experience and business as described. None of these three factors should be underestimated.

Through **technology** financial institutions can provide high levels of in-branch security leaning on new protocols and increasing the use of digital channels as an extension of the branch.

The experience, meanwhile, must be focused on both customers and employees, strengthening their ability to be **partners**.

Finally, the branch network requires a business perspective review to cope with a lack of agility and homogeneity in the procedures; meaning an unprecedented context in which changes are disrupting the business.





If banks were able to accelerate the implementation of this branch transformation, they would keep an important part of the branch network with the same **levels of profitability** existing before the covid-19 crisis or even higher.

In addition to branch activity results, and the fact that during this crisis period movement of people is highly restricted, there is no doubt that adopting a **remote banking model** would have an important impact in the bank profitability rates. Those banks that have already adopted a remote management model continue to do so, while those that are new to this are learning as they go, and are greatly surprised that is an easy and quick journey.

About everis

everis is an NTT DATA group company that offers business and strategy solutions, development and maintenance of technological applications, and outsourcing services. The company, which carries out its activity in the banking, insurance, industry, utilities, telecommunications, public administration, and health sectors, reached a turnover of 1.4 bn Euro (Information as of March 31st, 2019). It currently has over 25,000 professionals distributed in its offices and high performance centers in 17 countries.

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