

# Our Evolving Industry - What Should I Know?



If you have conducted industry research recently, you are very aware of the strong potential for change in our workplaces. Multiple forces are pressing upon the traditional branch model, forecasting transformation on the horizon. Whether your financial institution has decided to be an early adopter or is waiting to see, effective leaders will stay alert and informed about the shifting trends within our profession. In this article, we will overview five industry trends to actively keep on your radar:

**1** One of the key debates is the **future of the brick-and-mortar branch**. Industry reports state that branch foot traffic and teller transactions are on the decline, while mobile and online banking users are increasing exponentially. Do today's customers desire a physical store-front presence? Industry thought leaders predict branches will continue to exist, but they may look different. Rather than eliminate the branch experience, imagine how it can be enhanced, re- designed for convenience and efficiency: smaller square foot space strategically located where customers already work and shop, open layout with no teller lines, and self-service technology-based kiosks supported by tablet-brandishing employees.

**2** The **omnichannel** is another point of emphasis, aligning all option channels. When today's customers switch from their laptop internet, to mobile banking on their smartphone, and then to the branch drive-thru, a seamless customer experience is expected. Customers are adept at multi-tasking and desire a smorgasbord of diverse financial service channels. The number of alternative channels has exploded with unprecedented technological innovations. The intent of an omnichannel strategy is to evaluate how each channel intersects with and influences the other channels.

**3** Another trend is toward the employment of **universal bankers**. In this scenario, traditional job titles (for example, drive-thru teller and personal banker) will be replaced by universal bankers. There will be fewer job categories, replaced by hybrid positions. The concept is that a single point employee will handle the customer's entire experience from start to finish, with fewer hand-offs between branch personnel. For more information on Universal Bankers, go to our blog at [www.csp.com/blog](http://www.csp.com/blog) and search for "Universal Bankers".

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Remember the good old days? Banking was primarily conducted face-to-face. Written communication was sometimes used, supported by the postal service. In time, telephone calls were added to the mix, eventually supplemented by voice mail and electronic menus. The computer age arrived, generating email potential and web-sites. And 10 years ago, we thought those days were hectic! Today, the term **disruptive technology** refers to non-traditional technology platforms that are constantly emerging in our industry. In addition to in-person, written, telephone, and email communication, consider all the other terms that describe financial technology-based service platforms:

- Mobile banking, remote banking, digital banking
- Online-only banking
- Self-service banking
- Neobanking
- Remote check capture, deposit automation
- Wearable automation
- Smartphone apps
- Alternative payment platforms (for example: Paypal, Venmo, Bitcoin)
- Video teller machine, smart branch kiosks



All forecasts indicate that these technological innovations will continue to disrupt our status quo at a rapid pace. Finding ways to operate effectively and efficiently in the virtual space is a challenge many of us are facing.

*"Yesterday is not ours to recover, but  
tomorrow is ours to win or to lose."*

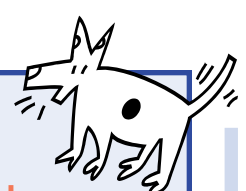
*-Lyndon B. Johnson*

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**5** As they are adapting to the latest financial products and services, a logical consequence is **increasing customer expectations**. Modern consumers have grown accustomed to securing products and services anywhere, anytime, and however they prefer. Modern consumers are used to receiving solutions long before they realized they had a need for that item. That's the customer culture of today's society. As we learn to serve multiple generations, perhaps the millennials do prefer to conduct their finances with a smart phone. But one constant holds true: all generations appreciate people who are nice to them, who ask about their needs and goals, who suggest strategies to help them succeed. More technology may be running the financial institution, but it's the people who make that technology work.



These are just five of the changes being proposed industry-wide. Where does your financial institution stand on each? How frequently are you discussing the implications of our evolving industry? How are you planning and strategizing in order to remain competitive? The STARS Activity, "Our Evolving Industry – How Do We Get Focused?" will provide a suggested approach to surfacing these issues with your fellow leaders and employees.



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