



## Branch overhaul? Banks head to the mall for inspiration

By Hilary Burns

Published June 29 2018, 2:43pm EDT

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Two years ago, a group of bankers from Chelsea Groton Bank piled onto a bus and drove to a mall in suburban Connecticut. Their assignment was simple — learn about different retailers' customer experiences.

"What are you observing? How are their employees engaged?" said Lori Dufficy, Chelsea Groton's director of sales and service. "What are they wearing? Are they proactive or reactive? Are they making suggestions? Are they knowledgeable?"

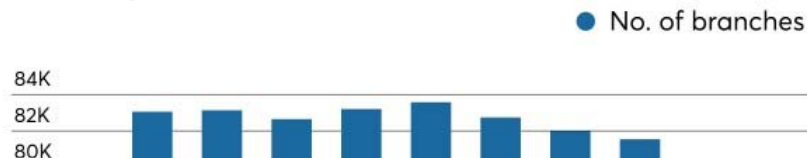
Since that field trip, the \$1 billion-asset mutual has shifted its branch staffing strategy to be more efficient, modern and appealing to employees. Under the new system, each branch employee is trained and then assigned a level. That employee can learn more responsibilities over time to move up to the next level. Dufficy refers to the system as a "matrix."

"It's created all these unintended consequences including better cooperation and collaboration," Dufficy said. "...What we found from employees is, they looked at it and said, 'That could be my career path.'"

As branches continue to evolve to become more service and education-oriented, banks of all sizes are tweaking their staffing models. While the universal banker concept has been in vogue for several years now, some banks are taking the idea a step further to retain and recruit talent.

### Countermeasures

As the number of branches declines, some institutions are going beyond the universal banker model to improve efficiency and retain talent





Source: FDIC

A new report from Novantas highlights the urgency of this, stating that banks “need to start overhauling traditional staffing models because mere tweaks to existing workforce strategies just won’t be enough.”

Darryl Demos, one of the report’s authors, said that banks should adopt skills from other industries to improve their sales approaches. He added that some banks are “jumping through hoops trying to work with an old staffing model approach.”

“If you think about it, 10 to 15 years ago 80% of the work in branches was transactional,” Demos said. “It was a predictable model. That is now flipped on its head.”

Pierre Habis, head of consumer banking of the \$121 billion-asset MUFG Union Bank in California and president of its new unit called PurePoint Financial, sees both sides of the issue. PurePoint’s financial centers are an extension of its digital bank, outfitted with technology and modern decor, compared to Union’s more traditional branches. While PurePoint operates as an MUFG unit, it has its own core banking system and financial centers.

“We have disrupted ourselves,” Habis said. “We have a separate unit and a separate team that manages and works on [PurePoint] every day. It allows me as the leader of both to take the best of what we are learning at PurePoint and slowly bring that to Union Bank.”

Habis said that Union Bank recruits employees for its branches similar to many traditional banks — they look for people with banking experience. At PurePoint, it is more important for new hires to have service or hospitality experience.

Even the employee dress code is different at PurePoint, which opened its doors in early 2017 and has 22 locations in Illinois, Florida, New York and Texas. Habis said the company gives employees money to shop for a work wardrobe within guidelines that matches the PurePoint brand.

Habis said that his team is currently in the process of updating MUFG Union’s core technology. It will take time before the Union branch experience matches the PurePoint financial center.

“You are going to walk in going, ‘This is a traditional bank,’” Habis said. “When you walk into a PurePoint location, you are going to feel something different.”

SB One Bank in Franklin, N.J., has reallocated its resources within its branch footprint. Vito Giannola, SB One’s chief banking officer, said four people typically staff a SB One’s branch today, down from seven to 10 people in the past.

Giannola added that the bank spends more time and resources on training branch personnel today. A customer could speak with any employee in an SB One branch about a consumer loan, for example. All of that leads to better customer service, Giannola said.

“We have a universal banking model that we call personal bankers so there are no tellers and all financial conversations and transactions are happening at the desk,” Giannola said. “People love that experience.”



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Dufficy, at Chelsea Groton, said the company's approach to branch staffing continues to evolve. She said the company plans to continue its outings to other retailers and they want to include more employees in those trips so individuals feel included and empowered to suggest innovative ideas.

The mutual opened a new location with video conferencing rooms, a lending library and a knowledge bar in December. Chelsea Groton refers to the new center as its "concept branch," and invited every one of its employees to work in the center for the months following its grand opening.

"It's a whole shift in the banking culture," Dufficy said.



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