Omnichannel Banking and Branch Reconfiguration: Strategies for “Lean Branching”

Description: This research reviews how branches remain relevant and an important element in lean banking initiatives being considered in today’s banks and credit unions.

The author believes that omnichannel banking and branch reconfiguration strategies can improve efficiency for banks, credit unions, and thrifts and contribute to profitability not only by reducing costs but through pleasing the customer. We dub this concept “lean branching” and believe it can support the broader goal of “lean banking,” the concept based on the well-established principles of “lean manufacturing” which prescribe interactively eliminating inefficiency and waste in operations to continuously improve productivity.

Highlights of this report include:

- Description of the evolving business models that offer the potential for great operational efficiencies and organizational effectiveness
- Survey statistics on U.S. consumers’ changing bank loyalty, use of self-service, and interest in advice and guidance from their banks or credit unions
- Description of various channels configurations ranging from traditional full-service interaction with tellers to self- and assisted-service options within various branch business models
- Illustrated examples of some of the many channels configurations being used by banks and credit unions
- Overview of new lean banking concepts that include open branch layouts, investments in new technology, and areas for consultation and advice

“Financial institutions are experimenting with a wide variety of branch options that are highly efficient and offer hub-and-spoke configurations with various full-, self-, and assisted-service options,” comments the director of Banking Channels Advisory Service and author of the report.

Contents:

1. Executive Summary
2. Introduction
3. The Evolving Role of Branches
   - A Tale of Two (Types of) Institutions
   - Where the Branches Are
   - What Was Old Is New Again
4. Bank Loyalty Is Waning
5. Self-Service Channels Complement Branch Capabilities
6. Interest in Guidance and Advice Is on the Rise
7. The Movement Toward Operational Efficiencies and Lean Banking
   - Branch Reconfiguration Efforts Can Power Lean Banking Initiatives
8. Putting It All Together
   - Offering a Great Customer Experience While Introducing Improved Efficiencies
9. Reconfigured Branch: Three Examples
   - Capital One 360 Cafés
   - Chase
- Wells Fargo

10. Conclusions and Strategic Implications
- Endnotes

List of Figures

Figure 1: Number of Branches of FDIC-Insured Financial Institutions in the United States, 2006-2015
Figure 2: Additions and Subtractions of FDIC-Insured Bank Branches, 2008-2014
Figure 3: Most U.S Consumers Still Consider Full Service Banks Their Primary Financial Institution
Figure 4: More U.S Consumers, Especially Young Adults and Mobile Banking Users, Are Switching FIs
Figure 5: More Consumers, Especially Young and Mobile Banking Users, Prefer More Self-Service in Branches
Figure 6: U.S Consumers Increasingly Use Financial Advisors; Nearly 2 in 5 Do So
Figure 7: Example of an Efficient, Lean, and Energy-Efficient Branch
Figure 8: The Path Toward Lean Banking-Fostering Innovation Across Channels
Figure 9: A Capital One 360 Café
Figure 10: Reconfigured Branches and Next-Generation Kiosks Are Taking Hold
Figure 11: Wells Fargo's "Neighborhood Bank" Branch/Store Format

List of Tables

Table 1: Changes in Number of Bank and Thrift Branches/Offices and Net Domestic Migration, by Region, 1991-2014
Table 2: Examples of Branch Configurations That Can Promote Lean Banking
Table 3: Branch Reconfigurations Efforts Can Be Important Components of a Lean Banking Environment

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