Featuring

The Self-Service Equation

Balance the needs of consumers, small- and medium-business clients, and staff

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Following our October 25 webinar, Diebold Nixdorf asked guest speaker Peter Wannemacher to respond to three key questions financial institutions (FIs) should be laser focused on to stay ahead of the competition and prepared to offer unsurpassed consumer experiences:

Consumers are more digitally-connected but also want choice around how to engage: *Do it myself. Do it for me. Help me do it.* How should financial institutions be thinking about blending technology with direct engagement?

For starters, some technology initiatives actually foster better direct engagement (e.g., context-driven insights delivered to an in-branch employee), so the answer comes down to three types of initiatives: self-service technology (across multiple channels), employee-facing technology, and traditional direct engagement. From a capabilities standpoint, a financial institution needs to invest in all three areas, though the specific ratios will vary by brand. It's important to note here that consumers are very willing to "self-select" when it comes to how they want to interact with a financial institution, so part of an FI's job is to make it easy for the me to self-select and then encounter as few barriers as possible as they complete their tasks: Digital self-service and human assistance can (and should) exist symbiotically, and when they do front-end staff will see the benefits of moving some transactions in order to allow deeper, more fruitful interactions and conversations with consumers.

We historically see branch environments segregated into zones of functionality/capability. If the right approach is to blend digital, self-service and staff engagement, what does that transformation look like…and how do you create buy-in from all parties/actors (consumers, staff, etc.)?

Cultural buy-in (i.e., employees' deep-seeded belief in your brand, your approach, and your role in consumers' lives) is a difficult long play (one that my colleague Alyson has done far more research on than I have), so I'm going to focus my answer on the more immediate question of behavioral buy-in (i.e., employees' willingness to take actions that align with your strategy). For starters, you need to get to aligned incentives, which involves two steps: First you need to ensure that transforming the branch into a space that weaves digital capabilities into human interactions is part of consumer-facing

employees goals; Second (and this is the one too many firms fail on), you need to get the other incentives out of those employees' way. For example, one bank we worked with wanted to do a better job with mobile-to-branch cross-channel experiences, but when we spoke with the branch employees themselves, they already had a "checklist" of more than 70 things they were supposed to do for the average consumer. So it's not enough to add in new incentives to embrace next-gen branch experiences – you also need to strip away much of the other "stuff" that consumer-facing employees already have on their plates.

As a key profitability segment, what does the evolution of SME/SMB (Small/Medium Enterprise *or* Small Medium Business), branch or self-service journeys for day to day transacting offer in terms of automation for branch functions and value-add for business owners?

When it comes to what they want from a branch, SME owners are a bit like "amplified" versions of your consumer banking clients: They do not want to go in to a branch often, and they don't want to spend time there for routine tasks – but they have a strong demand for human engagement when it comes to key "events" in the financial management (and growth) of their businesses. So the job of a financial institution is to enable both of these demands: Automated services for common transactions or interactions, and expert human advice for key moments in a lifecycle of a small or medium-sized business. We should make a quick note here that it is often someone other than the business owner who is coming into the branch to conduct a routine task, so part of the bank's job is identifying who is acting on behalf of the SME for a given interaction. But the overall goal remains to enable automation for straightforward tasks – to remove the cognitive load from the owner or someone else from the SME – and to offer tech-enabled human interactions for more complex tasks. In terms of "value-add" services, I definitely want to see financial institutions looking at opportunities to create new value or create "adjacent innovations," but our research shows that there is more than enough work to do on fixing broken and/or mediocre SME experiences. Bottom line: Financial institutions should start by improving SME owners' digital self-service experiences and digitally-enabled in-branch experiences.

For more on this topic, we invite you to listen to the lively and frank discussion led by Diebold Nixdorf's Sr. Director of Brand Evangelism, Scott Anderson, and guests Alyson Clarke and Peter Wannemacher, Forrester principal analysts.

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