

Attention to Detail in Branch Location and Design Yields Dividends



BY MARK CHARETTE



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Branch transformation and customer service are the new endgame, but deep below the chatter about “seamless physical and digital customer experiences” are the all-important decisions on where new branches will actually be located, and how they should be designed.

Financial institutions’ network growth strategies are now powered by site mapping software deployed by research companies who closely guard their data and work under strict confidentiality agreements with financial clients. High performing sites for new branches are selected by looking closely at geographic and other data, including competitor assets, branch proximities to depositor homes and workplaces, and proximity to other branches. They drill down into depositor segments (for the financial institution of interest as well as competitors) to determine specific customer profiles they can then match to potential sites.

Mike Goman of Accubranch, a New England site selection specialist, says, “Locational mistakes in the planning stage can cost a financial institution through failure to hit deposit goals. Hiring a site selection specialist whose locational intelligence isn’t resolute enough can result in oversights that prove disastrous. It’s not just about software, though; consultants who produce generic data without on-the-ground field investigation can also cost an institution dearly. It’s about *degrees of information*, be it from locational intelligence software or personal investigation into the physical location itself.”

Retailers in other industries have used location intelligence for decades, as they know location correlates tightly with performance. Banks and credit unions are now realizing its value, meaning heightened competitiveness for prime spots in the real estate market.

Once the site of the new branch is selected, the financial institution must then characterize it: the size of the branch, its shape, the technology integration, etc. It’s crucial to have a strong brand prior to building a prototype branch. Brand strength in today’s financial industry is expressed via ubiquitous flexible components, a “kit-of-parts” platform that is easily replicated across all branch locations. This is one reason new branches often

inspire a rebranding campaign; it’s an opportunity to replace outmoded branding concepts with more portable modules that scream “Consistency!” to all who see them.

The three chief types of branch architecture are traditional, transitional and contemporary. Brand strength directly influences this; logos, themes, colors and other sensibilities determine which of the three main architecture types will best compliment the financial institution’s earmark. This is branding power at its most fundamental.

Modern branch design factors are interdependent and dynamic. They affect each other organically. For this reason, branch design is an intensive, collaborative phase, known as “programming,” during which architects, interior designers, technology providers, branding professionals and other stakeholders work to eliminate waste and errors. Every square foot of the branch layout is calculated in this way for enhanced customer experience and maximum ROI. Numerous schematic drawings and artistic renderings will be required to capture intangibles, such as branch ambiance, prior to the start of physical construction.

Efficiency and productivity are the ultimate aim. Efficiency is the key to enhancing customer experience. Productivity is borne of efficiency and is the key to ROI. Anything design-related should enable these inductions from both a functional and aesthetic standpoint.

Functionality satisfies whatever requirements the financial institution initially feels are necessary, and aesthetics determines the environment created for positive customer experience. It’s the designer’s job to not just hear what their clients say, but also ask leading questions, based upon experience, that uncover finer points and oversights.

Schematic Diagrams

Between what the client provides and what the designers elicit, the programming information is obtained. Initially it is very broad in focus, which allows design teams to generate all-inclusive

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schematic diagrams of the space. Schematics are detailed drawings for overall project design that may be 3-D renderings as well as floorplans. Some branches may require ceiling plans if important conceptual features such as soffits or lighting features need to be graphically conveyed to the client. The branding and merchandising may require several schematic diagrams of their own (vital to customer experience once again).

Functionality, aesthetic and budget dictate the direction a project will go. The finer details (equipment locations, shaped millwork, etc.) are worked out in project development. This can occur by both design and necessity, depending how organized the client's inceptive vision is. A schematic in its earliest phases allows for a branch with "everything but the kitchen sink" with regard to features and functions. The design decks are refined via subsequent client meetings, gradually becoming leaner as unnecessary or unwanted elements are dropped.

Bank and credit union branches contain numerous moving parts. "Cut sheets" are developed to determine exact space usage factors, such as the clearance needed to service equipment as poor design in this regard will result in long-term problems for staff and technicians trying to maintain and service equipment. It's equally important that

technology integrations not only fit properly into their spot in the branch, but are easily accessed for servicing. If these calculations aren't made, then it can cause long-term problems for hapless employees.

Dialogue tower design is also important; small, egg-shaped pods can give a contemporary spacious feel, but one must consider everything, from the size of individual staff, to the type and degree of approach from customers, to the amount of available space for branch materials and equipment, such as drawers for checks and forms, pens, calculators, check processors, keyboards, etc. The depth of detail that branch design professionals can affect depends on their experience. Seasoned programmers understand how aesthetics will dictate whether you have square or rounded corners on dialogue towers, and how this compliments your branded retail environment. They'll know how to position lighting and merchandising racks for maximum impact. They will advise on the use of flat screen TVs, some of which can be rotated on brackets to project messaging through exterior windows during evening hours.

Once the physical and intangible are assembled and the prototype branch is built, it's time to focus on strategy; retail communications, branding, operational efficiency and staffing models. **BNE**