

Advisory Services Channel Transformation



Branch, ATM and Digital Channel Transformation



5 Steps to Channel Transformation

Financial institutions (FIs) must rethink the structure and operations of their banking channels to remain competitive as market trends and consumer behavior affect how banks are utilized. Channel transformation strategies should be tailored to an FI's unique structure and processes. In addition, any new strategy should focus on four main goals:



DRIVE EFFICIENCIES



MITIGATE RISKS



**ENHANCE THE
CONSUMER EXPERIENCE**



**IMPROVE SALES
EFFECTIVENESS**

What might work for one FI might not work for another. Diebold Nixdorf's Advisory Services team has a data-driven, consultative approach to help you make the right decisions for your channel transformation.

Step One

Current-State Assessment

Our Advisory Services experts develop a foundational understanding of consumer preferences, market dynamics and channel operations at your FI by conducting a data-driven assessment and market analysis of your physical and digital channels.

They will create and prioritize recommendations based on their knowledge of industry best practices from global leaders in channel transformation. They also perform detailed assessments to provide informed and educated recommendations on your current channel operations:

Consumer, channel and branch analysis

Assess how consumers are currently using the various channels in your delivery network and create channel profiles.

Branch assessment and stakeholder interviews

Physically visit a set of branches to assess current operations to identify opportunities that will improve efficiencies, reduce operating costs, drive sales and enhance the consumer experience.

Security Assessment

Identify vulnerabilities in physical and/or logical aspects of existing strategy.

Recommendations

Once assessments are completed, the Advisory Services team will provide short- and medium-term recommendations in a number of areas, such as:

- Staffing changes and/or skill sets
- Modifications to branch processes
- Changes to branch design and layout
- Technology deployment
- Security protocols or mandates



Step Two

Customer Segmentation and Profiling

The Advisory Services team will provide a robust and detailed analysis of your current consumer base, including account holdings/balances, delivery channel usage and individual consumer demographics/socioeconomics.

Data collection and normalization

Consumer data such as transaction types, channel usage and demographics will be collected.

Statistical analysis

Information will be segmented and analyzed based on demographics, channel behavior, relationship depth and geography.

Opportunity identification

Identify opportunities to increase wallet share and household penetration.



Step Three

Network Optimization and Expansion

The objective in step three is to identify the potential to optimize your physical network and determine whether the market analysis proves this is a viable opportunity for growth. FIs will learn how your consumer base is using the existing network and determine the value of each branch and ATM, from your consumer's perspective.

Analysis

Each branch and ATM will be assessed for performance, profitability, usage and market positioning.

Opportunity identification

Opportunities for opening, closing, consolidating, relocating, downsizing or redesign will be identified. Based on how the locations are being used and what the demographic makeup is for nearby consumers, a branch format will be recommended which includes the appropriate size, people and technology mix needed to optimize the usage of each branch.

Impact

Based on the recommended changes in the physical network, what will the impact be on the consumer experience? If you are closing a branch, what will the attrition be? Where will the remaining transactions go and will the receiving branches and ATM have enough capacity to handle the increase in sales and transaction volumes? Is there a need for a remote ATM location in the trade area?

Step Four

Technology Deployment Prioritization

In this step, the market analysis will determine if deployment of new technology is an opportunity to decrease costs and streamline efficiencies. If so, the segmentation of data will determine what type of technology should be deployed and where it should be placed.

Branch and consumer analysis

Transaction levels and mix will determine opportunities to migrate to lower-cost channels.

Opportunity identification

Prioritize deployment of self-service and branch automation solutions by branch, cluster and market.

Prioritize potential locations

Identify low-, medium- and high-traffic clusters using transaction volume to develop a roadmap for technology upgrade or replacement.

Step Five

Strategy Development

In the final step, DN's Advisory Services team will create a multi-year strategy for your branches, ATMs and digital channels that prioritizes actions and investments in people, process improvements, consumer experience, design, sales/marketing and technology/automation required to improve overall financial contribution.

We also develop a future-state vision for your branches and digital channels and define consumer journeys for specific types of interactions.

Consumer journey definition

Define future-state journeys for different types of interactions (i.e. performing a routine transaction).

Technology deployment strategy

Identify transactions that should be migrated to the self-service channel and those that require branch personnel.

Operating model recommendations

Prioritize recommended changes to people, process, design and technology.

Prioritize potential locations

Build a multi-year roadmap to prioritize recommended changes to network (branch, ATM and digital).

Create roadmap to address high-priority security mandates

Identify upgrades for future implementation.



We're here for you every step of the way.

Regardless of the steps you take, DN Advisory Services is a team of experienced professionals that will review your existing model, make recommendations, assist in making informed decisions and provide answers to fundamental questions that affect your branch operations.

To schedule a consultation, contact your Diebold Nixdorf sales representative or visit [DieboldNixdorf.com/AdvisoryServices](https://www.dieboldnixdorf.com/AdvisoryServices).





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