Lobby Management
The Last Frontier
Executive Summary

The FMSI Retail Branch Lobby Study is based on 344,000 interactions taking place during the fourth quarter of 2011—on the platform side of the branch—from financial institutions all over the country. The interactions of the study include all types of service and sales exchanges between account holders and lobby employees. The detailed data and analysis included in this white paper reveal how financial services executive management teams can leverage their retail branch business intelligence to manage and improve lobby performance and service levels.

Introduction

It has been suggested that the branch platform is the last frontier in the retail branch environment. With various systems capturing product information such as DDA systems, time/deposit systems, loan systems, and credit card systems—and in most cases no dedicated systems for tracking lobby service—management has struggled with understanding the actual overall performance in the lobby. Furthermore, it is very common for the absence of key lobby performance indicators to go completely unnoticed. Many financial institutions have enormous potential to increase sales and service through queue management systems and on-demand sales reporting technology enhancements—like FMSI’s Lobby Tracking System™.

Would you consider your lobby service representative employees to be order takers or professional sales consultants? If it is the latter, what service and sales metrics are you currently measuring in your lobby to drive performance improvement? How often are you measuring these numbers, and are you recognizing and holding your employees accountable for these achievements? Would you be surprised to know that 65% of your platform activities do not involve selling products? A queue management system coupled with detailed lobby sales reporting provides financial institutions with the systematic approach they need to improve their service representative performance.

This white paper reveals key industry metrics around lobby wait times and assist times, as well as product vs. service interaction percentage breakdowns. Detailed lobby improvement suggestions, supported by actual financial institution case studies, are also reviewed. With the data and analysis from this document, executive management teams will have a guide to help them drive the appropriate behaviors to improve branch platform metrics—and most importantly, know, measure, and track this improvement.
Measuring the Right Data

When setting performance goals, management often struggles to measure the right key performance indicators, establish realistic and achievable improvements, and then manage to these numbers. Financial services executives have all experienced the challenges around managing towards a desired outcome without serviceable metrics.

When establishing lobby performance goals for an institution, management should start by identifying all available performance data. With limited data available on the platform side of the branch, this initial step may prove to be very difficult.

The following data can be available for institutions that have implemented branch queue management systems from business intelligence system experts like FMSI.

- Average Assist Time (per service representative, per branch, per institution)
- Average Account Holder Wait Time (per branch, per institution)
- Product vs. Service Interaction Percentage (per service representative, per branch, per institution)
- Top Products Sold
- Services Most Often Provided
- Cross-sell Ratio (per employee, per branch, per institution)
- Number of Account Holders Assisted (per service representative, per branch, per institution)
- Specific Purpose for Each Account Holder Visit (customized categories chosen per institution)
What is a Queue Management System?

A queue management system is typically a web-based application that captures lobby performance information in real-time that is then used to streamline the sign-in (arrival and wait-time) process for account holders and lobby employees alike—along with provide on-demand reporting and analysis solutions for management teams.

Figure 1.1 below is an institution level dashboard with real-time information available in FMSI's Lobby Tracking System™.

Management Tip—

Be aware that many current day practices, such as manual sign-in sheets, create risk and privacy issues. Queue management systems reduce privacy exposure by providing a confidential method of recording account holder interactions from the moment they walk in the door until the second they leave the branch.
Streamlining the Sign-In Process – How does it work?

**First Step**—either through a greeter or self-service device such as a Kiosk or iPad, the account holder’s name, time of arrival, and purpose for their visit is typically entered into the application. This entry starts the wait-time clock in the system. The information is then immediately visible online to all lobby service representative office terminal screens through the web-based queue management system eClipboard (see figure 1.2 below).

Management Tip —

Consider the option to integrate an iPad into the queue management system sign-in process. Compared to other self-service technologies, an iPad reduces cost for installation by 80%, occupies a smaller footprint, and provides a familiar web interface.
Second Step—the next available lobby service representative, while considering matching the right lobby service representative’s ability with the purpose of the account holder’s visit, will make their selection to assist the account holder in the queue and leave their office to greet and begin to assist them. As soon as the service representative does this, the wait-time clock stops and the assist time clock begins.

• The lobby service representative has the opportunity to enhance the service experience during this step by utilizing the personalized comments section in the queue management system. For example, greeter enters in the account holder is wearing a red coat, then the lobby service representative knows which person is Emma and can greet her by name (see figure 1.3).

Third Step—when the service representative and account holder arrive back in the office, the service representative enters in the pertinent service and sales information during the consultation, such as which products they will review, which is all captured in the system for later analysis. Once the visit concludes the service representative closes out the entry in the system and the assist time clock stops.

Management Tip—

A strong argument can be made that the lobby wait time is the most important metric in the service experience mix. Putting controls in place, such as Pop-Up-Alerts provided by FMSI’s Lobby Tracking System™ forewarns of excessive wait times—which prevent service issues. The process is simple, if a specified threshold is passed, an alert box will pop up on each service representative’s computer screen notifying them of a person waiting in the lobby. In addition, emails can be sent out allowing remote or traveling managers to receive notification, which helps establish accountability.
The 2012 FMSI Retail Branch Lobby Study

The FMSI Retail Branch Lobby Study is based on 344,000 interactions, which include all types of service and sales exchanges between account holders and lobby service representative taking place during the fourth quarter of 2011—on the platform side of the branch—from financial institutions all over the country.

The wait time is the amount of time tracked between the moment an account holder signs-in when they arrive at the branch and the beginning of the service representative meeting.

Analysis

The variance between the above three groups can be caused by a multitude of factors, including—an understaffed or overstaffed lobby, employees spending too much time with each account holder, or inefficient institution procedures. The key is to use the detailed data from the queue management system to identify performance and service issues, such as the amount of time each lobby service representative spends with account holder, per product/service—known as “assist time” in this white paper.
Lobby Study—Assist Times

Assist time is the duration of the account holder interaction with the lobby service representative. Whether one or multiple products/services are discussed, the time captured in the below data is between the moments the service representative starts and stops the session with the account holder. Queue management systems typically capture assist times at the institution level, the branch level, and the employee level.

Analysis

The approximate seven-minute difference in the above Top 10 and Bottom 10 groups can seem like an eternity for some busy account holder. What is causing this gap? Study the amount of time each employee spends with an account holder, per product/service, and compare different staff’s performances to establish benchmarks. Is one service representative’s assist time too short and producing careless errors? Conversely, is one service representative’s assist time too long, and are they “over performing” (excessive socializing)? Based on the findings, coaching programs can be implemented to guide the desired staff behavior.

Management Tip—

Review lobby interaction procedures. Does your financial institution have too many controls in place that impedes productivity or the service experience? Are you creating barriers by having lengthy and excessive, multi-step procedures that could be streamlined (Remove the “because we’ve always done it that way” mentality)? Conversely, are you missing any steps in your process that can reduce costly errors or improve service levels?
Lobby Study—Product and Service Metrics

Separating and tracking the number of product and service interactions in the lobby allows management to gauge the primary platform activity occurring. Queue management systems typically capture these percentages at the institution level, the branch level, and the employee level.

2011 Interactions at the Institution Level
FMSI Study

![Pie charts showing product and service percentages.]

Analysis

For many years now the financial services industry has touted a sell, sell, sell culture. In these challenging economic times, the sales culture has never been more important. Using the product/sell percentage breakdown as a key performance indicator can be instrumental in understanding your lobby performance. Set a goal, measure the trend, and manage to the behaviors to obtain the desired result. FMSI recommends a 60/40 product/service split for a high sales performing lobby. What is your split?

Management Tip—

Make it a priority for your lobby service representative to uncover products/services that the account holders currently have with other financial institutions.
Using a Lobby Cross-Sell Metric to Improve Wallet Share

Tracking, measuring, and managing a cross-sell ratio in the branch platform environment can be accomplished through on-demand sales reporting solutions, such as FMSI’s Lobby Tracking System™. When an account holder arrives in the lobby the products/services they intend to purchase are recorded in the reporting tool and then throughout the sales process as additional products are sold this information is also captured. The system then prepares a cross-sell ratio. For example, in figure 2.4 below, service representative #2, on average, sold approximately three times as many products than his account holders originally intended to purchase when they arrived at the branch.

![Example of Cross-Sell Ratio](image)

Analysis

Extensive research has proven that when account holders purchase three or more products/services from your financial institution, they are much more likely to remain loyal. With such a high cost for acquiring new sales, the importance of reducing attrition is critical to the success of your organization. How are you currently measuring your cross-sell efforts? Incorporate cross-sell metrics into employee performance reviews, and watch these numbers improve as a direct result. Do you know your products per household penetration ratio (aka wallet share)?

Management Tip—

To improve cross-sell ratios, focus your services representatives on need-based intelligence, as opposed to selling the “product of the month”.

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Tactics for Improving Service / Sales in Lobby

Tactic 1—Migrate to an online sign-in process.

An electronic queue management system moves all the information flow online. All financial institution employees, including senior level staff, can see real-time views of account holders waiting in their lobby. The result is a systematic tracking system that establishes accountability on the platform side of the branch.

Actual FMSI Client Story

Veridian Credit Union, $1.8 billion in assets, has 26 locations in Iowa.

Prior to operating with FMSI’s electronic queue management system in their lobby, greeters at Veridian tracked member traffic manually. This manual process involved filling out cards and then physically taking the cards to each loan officer or member service specialist. This labor intensive process was not efficient and provided no volume or management information.

In Their Own Words

“It was time for us to get away from such a manual process,” says Shelly McGill, a Regional Manager at Veridian. “Too much is at risk when it comes to our commitment to service excellence.”

“Our average member wait time has gone down since we rolled-out FMSI’s Lobby Tracking System™,” explains McGill. “Best of all, no member leaves without prompt assistance—due to the LTS system alerts that are sent out when somebody has been waiting too long.”
Tactic 2—Utilize Extensive Reporting to Support Decisions.

Leveraging retail branch business intelligence in order to improve lobby sales and service performance needs to be an everyday initiative with an emphasis during periodic reviews. Queue management systems help establish the procedures that drive the right employee behaviors, through recognition and accountability—by collecting and displaying the right data.

Actual FMSI Client Story

Arkansas Federal Credit Union (AFCU), $800 million in assets, with 14 locations in Arkansas.

On a weekly basis, Tammy R. Christian, AVP/Branch Operations at AFCU, is faced with many questions that the LTS reports help her answer.

- When a branch has an overwhelming wait time, what is the historic threshold metric that triggers increasing staff levels?
- Why are these two specific service representatives taking much longer to process a HELOC than any other representatives?

In Their Own Words

Tammy described her LTS experience by stating, “Monitoring and improving branch operations by utilizing the detailed Lobby Tracking System™ reports, not only makes my job much easier, it also helps to establish accountability for everyone on my team to perform at a higher level.”

Understanding which lobby employee needs additional training has been very beneficial for AFCU. Most importantly, identifying the specific products and solutions they are struggling with has led to more efficient product sales training. The LTS reports have allowed them to avoid spending valuable time training specific employees on products with which they are already comfortable. The employees appreciate the targeted approach and management has noticed the improved performance results.
Tactic 3—Channel Lobby Service Traffic to Call Center

Many of the simpler interactions that take place in the lobby between the account holder and the service representative are better suited to be handled over the phone by the institution’s call center. This option provides account holders with convenience. They would not only save time waiting for a service representative, but they would also avoid the inconvenience and time associated with driving down to the branch.

- Work with your marketing team on developing the right email and/or direct mail communications to promote this message.
- You can also train your branch service representatives to offer the suggestion when appropriate.
- Display signs at the branch.
- Have a dedicated call center phone and/or a kiosk in the branch.

Tactic 4—Deploy Self Directed Technology—Like Kiosks

There are sophisticated self-directed technologies in the market place enabling account holders to complete some lobby interactions, such as NCR’s new Video Teller Machines and interactive Kiosks. Investing in this technology can decrease wait times, reduce labor costs, portrays your branch as being technology advanced, and gives access to branch services outside of regular branch hours.

Tactic 5—Outbound call management during slow periods

Improving product sales requires great follow-up activity. Set weekly outbound call goals for your service representatives. Measure these activities and manage the behavior through key performance management information from the queue management system, like FMSI’s Lobby Tracking System™.
10 Steps to Implement and Manage a Queue Management & Reporting System

1. Seek out a Lobby Tracking solution from an organization such as FMSI, who are experts on this topic.

2. Define expectations with the Executive Management Team, and create clear metrics goals for acceptance.

3. Clearly define and layout the expectations for use/performance of the lobby tracking reports.

4. Develop benchmarks and measure performance—add to quarterly, annual reviews for performance expectations, recognition, and accountability.

5. Monitor staff performance against productivity goal metrics.

6. Provide performance coaching for under-performers and recognize high performers through incentive and recognition programs.


8. Conduct a weekly or monthly review of products/services offered and sold, wait times, and service interaction times.

9. Establish semi-annual reviews of procedures and internal controls.

10. Incorporate lobby key performance indicators (KPIs) in management scorecards.
Conclusion

The branch lobby for most financial institutions is the last frontier in the retail branch environment and has an enormous potential to improve sales and service, and better utilization of staff.

Consistently capturing and analyzing performance data, and then properly employing the resulting business intelligence, can be very challenging. With the right technology enhancements in place, such as a queue management system with a detailed reporting solution, banks and credit unions of all sizes can establish the required procedures that lead to lobby performance improvements. Executive management teams can provide their branch management with the appropriate tools to drive the right employee behaviors that result in improved branch platform performance and service metrics—and most importantly, measure and track this improvement ongoing.

For over 20 years, Atlanta based FMSI has assisted 600 plus financial institutions nationwide in optimizing their branch networks. By providing 20 plus unique lobby service and sales reports including: individual sales and productivity reports, account holder volume reports, and cross-sell reports, FMSI's Lobby Tracking System™ (LTS) effectively supports senior management in making critical lobby management decisions. Coupled with a queue management system, upon implementation, LTS also dramatically improves the account holder service experience through an advanced eClipboard online portal—offering user alerts and complete real-time service performance visibility throughout the institution’s management structure.

Set-up a 30 minute consultation to learn if FMSI’s Lobby Tracking System™ is a good fit for your institution. To set up a demo, contact FMSI’s Executive VP of Sales, Gordon Williams IV, @ 877.887.3022 or gordonw@fmsi.com

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