

# CREDIT UNION TIMES

## Mid-Hudson Valley and Members Embrace Personal Teller Machines

4/23/2008

Myriam DiGiovanni

KINGSTON, N.Y. -- Mid-Hudson Valley Federal Credit Union is taking member service to a whole new level. In a collaborative effort, the credit union, partnering with Coastal Federal Credit Union and facilities design firm Gene Pranger-Creating Smarter Branches, is going beyond ATMs or remote teller systems by introducing members to the first uGenius personal teller machines that are available 24 hours a day, seven days a week.

Once a member picks up the phone at the PTM, the call is routed to 20 centralized tellers in a call center on the third floor of Mid-Hudson headquarters. A human teller answers and the teller's image is video streamed to the PTM. From there, the teller handles the transaction the same as at the traditional teller line.

The PTMs accept cash and checks, and tellers can see both the member and items inserted, whether it is ensuring a check is endorsed properly or verifying a member's identity with a driver's license. The machine can also detect counterfeits and dispense cash and coin.

Unlike a remote teller system, PTM tellers never physically handle the cash or checks and they balance the transactions. The actual PTM cash-check reconciliation is taken care of on-site at each branch location in a manner similar to how ATMs are balanced. Transactions that cannot be made at PTMs include purchasing traveler's checks and money orders.

"It's a very competitive environment here and everyone has ATMs so we needed something to set us apart from our competitors and how much better does it get than 24/7 teller service," said Mid-Hudson Chief Operating Officer Patti Osterhoudt. "Being able to interact with a real person makes all the difference. So for example, a member can know instantly if the check they want to deposit will have a hold, and if they change their mind about doing the transaction, the teller can push it right back to them."

According to Mid-Hudson President/CEO Bill Spearman, the project has been about five years in the making since Coastal FCU first introduced PTMs.

"Coastal invited us to their main branch, introduced us to Gene Pranger and, impressed with the demonstration, we provided an overview to the board when we came back, and from that point on it became part of our strategic plan," said Spearman.

Opportunity knocked with a renovation of its main branch and the building of a new Rhinebeck branch where the technology could make a bold statement in the new facility.

"At the end of the day this is about member service," said Spearman. "We can't win on price or product innovation, but we credit unions can compete on service, and this is for us another way to demonstrate just what we mean by member service."

Pranger, president and creator of the patent-pending technology, said PTMs offer the opportunity for credit unions to outmaneuver the competition.

"It helps extend their reach and be very competitive by providing access to service when and where the member wants," said Pranger. "It also changes the retail branch from a transaction destination into a sales destination. When members walk into a branch and the first thing they see is a teller line, it is as if you're telling them that is why we exist, when in reality transactions don't drive profit for financial institutions."

He said that shifting the focus to more of a retail store setting, where the branch staffers are out of their offices and on the floor, encourages more meaningful member interactions by working together to discover which products and services can best help meet member needs it enhances the member experience.

Another benefit is increased operational efficiency across the branch network, said Pranger, with the centralized teller call center resulting in a 50% to 60% savings in total teller staffing.

Just three weeks into a soft launch at the Mid-Hudson main branch, the experience has exceeded expectations.

"The feedback has been positive, and what's been surprising is how easily it has been accepted across all demographics. Younger and older members alike are bypassing the teller line in our main branch, using the machines and enjoying the experience," said Osterhoudt. "The first Sunday the PTM had 60 transactions on it. That's encouraging, and we are excited about opening our Rhinebeck branch, which will only have personal teller machines."

--mdigiovanni@cutimes.com