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PTMs Help Credit Union Build a Brand That's All About the Member Experience

Whatever you do, don't call the PTM a machine.

Bill Spearman, President and CEO of Mid-Hudson Valley Federal Credit Union (MHV), loves to tell a story about the member who went to the ATM machine at the CU's Saugerties branch, only to find that at 10:00 PM, his card wasn't working. Hoping it was just a mechanical glitch, he then drove the few miles to the main branch, where he had his first encounter with the Personal Teller, a 24/7 interactive customer service portal. He reported to Spearman, "Not only did a live teller fix my problem, but I got an apology at the same time."

Now *that* is something no machine can do. And it is what is making uGenius's Personal Teller Machine the poster child for the Credit Union's new branding strategy.

Building Awareness in a Saturated Market

The management of MHV had a major challenge: how to establish a strong brand identity in a fiercely competitive market that was already home to several major banks, numerous regional and local S&Ls, and several other Credit Unions. Looking for something that would help differentiate MHV – which was spawned by the technology giant IBM's Kingston, NY facility – management felt the cutting-edge uGenius PT would be a perfect match.

When MHV put its initial PT into service almost a year ago, it was one of the first financial institutions in the country to do so. Today, the PT is available at two Credit Union locations, with plans to roll out three more in the fall. The surprise, to all concerned, wasn't that the Personal Teller delivered on its promise, it was the way it did so. Because as MHV's experience evolved, the technology began to take a back seat to the human factor.

Creating a Higher Expectation for Customer Service.

MHV management soon came to realize that the thing that truly set the Credit Union apart from its competitors wasn't the latest technology or developing new types of products, but its ability to deliver its exceptional customer service based on an understanding of its local market. What the PT gave them was nothing more or less than a way of disseminating that service on a scale never before possible...24 x 7.

Bob Michaud, Senior vice President of Marketing at MHV, cites an awareness survey conducted in June by Bancography, noting “Convenience is the single strongest criterion people cite when selecting a financial institution”. But when it comes to forming long-term relationships, the helpfulness, friendliness and expertise of tellers comes into play; people want to be remembered, they want their transactions and inquiries to be handled quickly and smoothly, and they want their problems to be solved expeditiously.”

The fact that the Personal Teller can solve all these challenges is illustrated by a happy member who talks of his experience without ever mentioning the Personal Teller itself. Instead, he praises the teller who handled his transaction: “She was so helpful it was amazing. She took my off-hand comment and managed to fix a problem for me that I didn't realize I had!”*

Perhaps the ultimate illustration of the utility of the Personal Teller is provided by Michaud, who tells of a neighborhood power outage that resulted from a transformer failure. “Emergency generators kicked in to power our computer equipment, and the PTs are on these circuits, so they stayed online during the incident. We had management down in the lobby directing people who had never used the Personal Tellers. Our Senior VP of Operations walked over with a member who said, ‘I don’t have my ATM card.’ Then she hit the start button saying “you won’t need it here”, and another happy customer was born!”

Changing the Banking Paradigm

The success of the Personal Teller prompted MHV management to start designing branches around the advantages of the technology. The first office to be rolled out based exclusively on PTs is the Rhinebeck, NY branch, where all transactions are conducted at the PT portals (during office hours, there are also highly trained staff to assist with any special needs.) Members have taken enthusiastically to doing their banking 24/7. Branch Manager Candace Benedict says, “I can watch the success of PT growth when I see more and more people stopping at the bank on the way to church.”

Bill Spearman has personally been approached by delighted members singing the praises of the new approach. On a recent walk-through of the office, he was stopped by a member in her mid-60’s who said, “I love the Personal Teller. It’s awesome!” As another member adds, “I believe the Personal Teller is one of the greatest things that ever happened...it is great to do all my banking whenever I have the time in the a.m. or p.m.”

One Rhinebeck customer describes her first encounter with a Personal Teller as the result of simple curiosity. “I touched the screen just to see what it was all about. I was expecting to have to swipe my card or to be able to press a cancel button and walk away. Instead, I found myself talking to a very nice woman who assured me that she was happy to answer any questions I had, thanked me for trying out the Personal Teller, and wished me a happy day.”

How it Works

In essence, a Personal Teller can handle any transaction done by a live teller. The member initiates a session by simply touching the screen, which connects him or her to a customer service specialist. According to Julie Janson, who heads up the Personal Teller team, “We can see and talk to each other through a video camera with built-in speakers or a privacy handset. You don’t need a deposit slip or even an ATM card, just your account number. And if you can’t remember it, we will verify your ID and look it up for you. Then we build a virtual deposit slip before your eyes. You sign, get an itemized receipt, cash back, whatever you need ... and always a smile and a thank you.”

Says Michaud, “Yes, it can scan checks and count bills, but it is so *not* an ATM. When you make a deposit to an AMT there is can be a delay in having the deposit credited – sometimes days – whereas in the Personal Teller posts it immediately for MHV members. The biggest challenge is what I’ll call the perception barrier. The initial reaction is not necessarily enthusiastic – ‘I don’t want to do business with a machine.’ That’s why we station greeters to take members by the hand and walk them through their first encounter. Once they experience the PTM, people frequently prefer to handle all their transactions this way. They build relationships with the tellers and soon the technology becomes transparent. When they realize the same service is available 24/7, the reaction is always “Wow!”

Spearman adds, “People generally come to it the first time because the lobby is closed or to avoid standing in line. Then, they keep coming back because it does everything they want, using a real teller, at any hour of the day or night.”

MHV tellers are as pleased as their customers. Shannon Welter relates the story of a man who had never used the Personal Teller before for check cashing. “I was waiting on Daniel. He was very excited about using the new touch pad to key-in his account number. He inserted his check and the image appeared on the screen. He said ‘Wow - this is so cool’. As I processed his transaction he mentioned how great it was to be able take care of his banking when the CU is closed. I thanked him for using the PTM and he left with a big grin.”

How to Stand Out in a Crowd

In his recounting of MHV’s struggle to re-brand itself, Michaud cites some pretty daunting statistics. In fact, he says, in the first half of 2009 over \$160 million have been spent YTD in the Hudson Valley/New York City financial services market. And somehow, MHV has to stay viable with its modest marketing budget.

“What sense can we make of this market?” he asks. “How do you redefine the customer experience 90 miles from New York City when 90 miles from New York City is basically Middle America?” The answer, he discovered, is that in this market, personalities are crucial “It’s not about better-faster-stronger, it’s about putting quality people – local, empathetic, competent people – out on the street 24 hours a day. And ironically enough, the PTM technology has helped us understand that. ”

Another scary statistic: typically, the industry considers a ratio of 1,500 households per branch ideal. In the mid-Hudson Valley, it is more like a few hundred households per

existing branch. So growth needs to be looked at from a different angle; the typical strategy of building a branch and waiting for it to prove itself simply isn't going to work.

Branching Out by Thinking Small

Looking "outside the box" is exactly what the MHV team did. "If our brand is service and convenience," Michaud muses, "we have to look at the ideal way to deliver it, which is not necessarily a full service branch. Going forward, our strategy is to have a central office that acts as a hub, delivering all financial services. But, since most needs are cash-based services, we go super-small with the 'spokes'".

"We can see PTM kiosks inside companies we do business with, in high traffic places like hospitals, in parking lots in neighborhoods that wouldn't warrant full-service branches. This lets us look at markets we never thought we could go into, creating more channels and locations. Our ultimate goal is to take Julie's team to as many new low-cost locations as possible." The PTM can also be used as a method of testing the waters before committing a full service branch, he observes.

Noting that a Credit Unions is more like a food co-op than a bank in that it exists only for its members' benefit, he points out that "This PT technology is exciting because it allows us to break out of the 'banker's hours' box, and safely and cost-effectively provide 24/7 access to real tellers." Putting Personal Tellers in small offices or kiosks will enable more retail deployment at lower cost making MHV more efficient. The benefit is placed right where it belongs: "We are able to generate more revenue, which we are able to give back to our members while delivering full service", states Michaud.

What the Future Looks Like

Even farther ahead, Michaud can see a day where the role of the traditional branch office is greatly minimized. "As we move forward," he explains, "online account opening will further reduce branch visits."

Spearman adds, "Our motto is: 'Real Tellers. Real Time. Your Time.' This Personal Teller technology is so exciting because it allows us to give our members a higher level of 24/7 service than they ever expected."

In the end, it's all about the people. *Not* the machine. That story was best told by a recent member comment on a post transaction survey: "I love your PT service and plan to continue using it. Too often technology and convenience come at the expense of personal interaction, but you found a way to do both".

For more information about the uGenius PTM, visit www.ugenius.com.

*Quoted comments are primarily courtesy of Quality Loop, which conducted post-transaction customer satisfaction direct mail surveys.