

First National Bank of Omaha puts the spotlight on service innovation in its “branch of the future.”

Overview

■ Business Challenge

First National Bank of Omaha wanted to create a new kind of branch that would raise the bar on customer engagement and satisfaction—and maintain its 150-year track record as a service innovator.

■ Solution

First National worked with IBM to design and implement a “branch of the future” that orchestrates a range of new technologies to create a seamless self-service experience that strengthens the bank’s brand while enhancing customer satisfaction.

■ Key Benefits

- Improved customer satisfaction and stronger customer relationships through a more engaging banking experience
- Customer growth at 30 percent over target
- Improved ability to provide the latest information on new products and services, thus improving cross-selling opportunities
- Expected deeper penetration among younger, technologically savvy banking customers



First National Bank is a subsidiary of First National of Nebraska, Inc., the largest private banking company in the United States with \$20 billion in managed assets and over 7,500 employee associates located in 35 states. First National recently launched a “branch of the future” at its Shadow Lake branch, in Omaha, Nebraska.

In the realm of retail banking, the branch—once under the threat of becoming marginalized by ATMs and online banking—is undergoing a renaissance of sorts. There’s been an evolution in the way banks think about the role of branches within their overall strategy. Underpinning this evolution, and in some ways driving it, is a richer and more nuanced understanding among banks of what their customers are looking for in an overall banking experience. Along the way, retail banks have also come to realize that all of their channels play specific, yet equally important roles in delivering this experience. The importance of a balanced

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— Rolland Johannsen, SVP of Retail, First National Bank of Omaha

Optimizing the branch bank experience through personalized interaction

Business Benefits

- Improved customer satisfaction and stronger customer relationships through a more engaging banking experience
- Customer growth at 30 percent over target
- Strengthened brand through digital in-branch signage
- Improved ability to provide the latest information on new products and services, thus improving cross-selling opportunities
- Stronger appeal to younger, technologically savvy banking customers
- Reinforces the bank's image as a service innovator

and complementary channel strategy is behind the growing importance of multi-channel banking—whose goal is to align these channels to deliver a consistent, engaging and satisfying experience—as a source of competitive differentiation.

Elevating the retail banking experience

The retail bank branch is a critical part of this mix. For one, it's almost always the channel through which a bank first establishes a relationship with its customer and—over the life of the relationship—it represents the main point of physical contact the customer has with the bank. For this reason, a customer's experience using the branch can have a strong and indelible impact on the customer's perception of the bank. Under the "experience" umbrella, the range and quality of available services is a key element of the mix, as is courteous, informed and personalized service from branch staff. Just as important, however, is the physical backdrop against which the customer experience unfolds. Whether it's lighting and openness, unique applications of technology, or ancillary non-bank services, the physical dimension of the branch environment sends a powerful signal of the bank's commitment to providing a standout customer experience.

First National Bank of Omaha (www.firstnational.com), which recently celebrated its 150th anniversary, was determined to send just such a message to its customers. A subsidiary of First National of Nebraska, Inc., (the largest privately-owned banking company in the U.S.), First National Bank of Omaha planned to use its newest branch, in Shadow Lake Towne Center, to showcase its vision of the branch of the future. While convenient amenities and interior design were part of this vision, its dominant theme was to use innovative technology to pervasively transform the experience of customers using its branches, with Shadow Lake serving as a prototype of the model.

With the specifics yet to be defined, the First National team examined a number of options around in-branch self-service technology. What had proved most compelling was a first-of-a-kind display technology—called IBM Everywhere Branch Optimization—that the team had been shown at the IBM Industry Solutions Labs in Hawthorne, New York. Recently developed by IBM Research, Everywhere Branch Optimization uses a projector, advanced optics and "actionable" camera to project the image of a display on any two-dimensional surface that, when touched, can be used to trigger actions without the wiring typically associated with traditional terminal-based touch screen displays.

Intrigued by the possibilities of using Everywhere Branch Optimization to provide access to in-branch services, First National engaged IBM Global Business Services to lay out the possibilities and to help the bank further define how the technology would fit in with its branch of the future vision. With that foundation established, IBM refocused its mission on defining the overall architecture of the solution



First National's "branch of the future" enables customers to access their safe deposit boxes using the latest in iris scan technology.

and—most importantly—how it would all fit together to create a seamless, innovative experience for First National's customers. In addition to securing the appropriate internal resources, including staff from IBM's National Kiosk Practice, IBM also needed to coordinate with the third-party vendors that would be providing other elements of the solution, from kiosk software to the digital content that would be displayed alongside the solution. The team recognized that in every aspect of the project—from industrial design to technical implementation, and all points in between—the need for harmonization was paramount. To ensure this outcome, IBM Global Business Services took ownership of the project, coordinating with the other vendors involved in the branch of the future initiative to make all parts of the solution work together holistically.

A new level of customer engagement

The best way to describe how this was achieved is to take a virtual walk through the branch solution that came out of the project. When customers walk in First National's Shadow Lake branch, it isn't just the extraordinary openness of the space that first strikes them. It's also the prominently displayed trio of plasma welcome screens that present First National's latest products, services and marketing messages, which in the process reinforce the bank's brand identity. Among the other dynamic content shown on the screens is personal information on the key bank staff positioned in front of them, which helps to build a personalized relationship between the bank and its customers.

But what truly stands out from the Shadow Lake branch experience—and represents the most innovative application of technology—is the first-of-a-kind self-service solution that defines a whole new level of customer engagement. Designed with IBM Everywhere Branch Optimization at its core, the branch's "virtual koi pond" presents customers with a compelling, interactive gateway to information and self-directed branch services. At the literal center of the service is a menu of options projected as buttons onto the floor from above in the form of a circular koi pond (fish and all). Around it are four interchangeable kiosks. To choose an option, a customer steps on a button within the koi pond, such as "products and services" or "open an account." Using a specially developed pan/tilt video camera, Everywhere Branch Optimization then remotely detects which projected button the customer stands on, and based on that, sends a command to the software underlying the system. This triggers the system to direct the customer to one of the four kiosks by following a school of virtual fish within the koi pond. On the kiosk itself, the menu presented on the screen is automatically customized based on the customer's previous selection.

One of the kiosks' most advanced features is the ability to walk the customer through the entire account creation process, including the production of an ATM/debit card that customers get on the spot—without the usual wait. Branch

Solution Components

Solution

- IBM Everywhere Branch Optimization

Services

- IBM Industry Solutions Labs (Hawthorne, New York)
- IBM Research
- IBM Global Business Services

Timeframe

- Preliminary discussion of concept: 2 months
 - Development of Solution: 3 months
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Smarter Banking

Using new sensing technology developed by IBM Research, First National Bank of Omaha built a first-of-a-kind customer self-service solution that sets a new standard for providing an engaging retail banking experience. It represents the centerpiece of the bank's "branch of the future" vision.



customers wishing to access their safe deposit box can use another technology-enabled self-service feature that departs from the usual. In contrast to the traditional practice of escorting customers into and inside a secure viewing area with two keys, First National's branch of the future employs state-of-the-art iris scan technology to perform instantaneous, touchless authentication, which is not only secure, but also liberating. The fact that 80 percent of customers have signed up for this feature speaks to its appeal.

Bringing resources to bear

What made the project a success—and what led First National Bank to select IBM—was not only the quality of research it generated in its labs, but also having the depth of resources needed to bring these ideas into the real world and make them work. This included the ability to work with technology partners in a traditional integrator role. But it also meant marshaling the expertise needed to overcome more esoteric issues, from choosing the appropriate way of printing out cards at the kiosks to choosing the flooring material that would provide the best contrast for the projected “koi pond” display. To address some of these issues, IBM Global Business Services looked to other, comparable deployments for the appropriate solution; in other cases, the deep base of technical know-how within IBM's research facilities provided the necessary input.

In the coming months, First National's branch of the future will increasingly become a branch of the present when it begins to broaden the deployment of its new solutions to new and existing branches. By using design and technology to redefine the customer experience, Rolland Johannsen, SVP of Retail, expects First National to not only further strengthen its customer relationships, but also appeal to the younger banking customers with whom the future branch system is most likely to resonate. “Working with IBM has enabled us to enhance human interaction to create the ultimate customer experience,” says Johannsen. “Essentially, we've merged the convenience of a full-service, community bank with the latest technology to redefine what the branch experience can be.”

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