

Enterprise

The Voice of Canadian Credit Unions

March 2010



BRANCH DESIGN

FIND OUT HOW THREE CREATIVE CREDIT UNIONS LINKED BRAND STRATEGY TO THE **LOOK** OF THEIR LOCATIONS

TIME TO BRANCH OUT?

DISCOVER HOW THREE CREDIT UNIONS USED BRANCH DESIGN

TO BOLSTER THEIR BRANDS

Across Canada credit unions face the same predicament. Ten or 15 years ago, it seemed the role of the branch would shrink as online banking became the norm. But that didn't happen. Members continued to visit branches but, as their needs shifted from transactions to advisory services, personal relationships, if anything, grew more important.

In 2010 many credit unions are examining locations that haven't had an image update in decades and recognizing that these physical spaces have some catching up to do to meet the change in member behaviour. Today's branches have to be more than a teller line-up. They must be as open and inviting as a retail outlet, yet offer the privacy and security members expect from a financial institution. They must also provide the flexibility to let employees fill multiple roles, as tellers, salespeople and financial advisors. And credit union branches, more than banks, have a further responsibility to reflect both their organization's values and the identities of their home communities.

Some current examples lie in the situation unfolding in Greater Vancouver. There, Canada's two largest credit unions, along with some notable up-and-comers, are several years into major redesign efforts. Each has struck a balance between look and function, yet the processes they employ and the considerations they prioritize couldn't be more different. Nor could the end results. Even so, these new branches all deliver a compelling member experience, one that bolsters the brand while ably fulfilling organizational needs.

For credit unions contemplating updates or upheavals in 2010, a tour of some of these key branches is a good place to start.

Located in a gigantic semi-suburban shopping mall, **Coast Capital Savings Credit Union's** Metrotown branch more closely resembles a trendy coffee chain or mobile phone supplier than a traditional financial institution.

The branch is a full-on example of the credit union's "aperio" concept, which emphasizes round shapes, interconnectivity between work areas and, as intimated by the name ("make open" in Latin), an airy feel. Instead of a teller line-up, individual podiums are dotted throughout the floor. Their circular configuration helps eliminate the traditional separation between employees and members. Swivelling tables and rolling chairs further the fluid effect.

Aperio is sometimes compared to Occasio, a similar concept unveiled by Seattle-based Washington Mutual Bank in 2000. Dubbed "the Walmart of banking" by the organization's then-CEO, WaMu generated significant increases in deposits and loan volumes at branches where the new design was applied. But the bank collapsed in 2008's credit crisis, and JPMorgan Chase, which took it over, has since abandoned Occasio as inappropriate for its more conservative brand. ►

Lawrie Ferguson, Coast Capital's chief marketing and public relations officer, says aperió is based less closely on Occasio than is generally assumed. In 2004, a six-member team from Coast Capital's marketing, human resources and facilities departments visited close to two dozen North American financial institutions to capture the best of their branch designs. The process took several months and was aided by consultants from U.S.-based Interbrand Design Forum, one of the largest firms in the retail brand-strategy business. The final design concept was the result of roundtable collaborations between the hired designers and the Coast Capital team.

The credit union didn't hold focus groups (member panels used to gather qualitative responses) during this process. Rather, it rolled out the first aperió branch in Pitt Meadows, a municipality east of Vancouver, in 2005, and gave it a trial period before seeking feedback. "We had to bring it into a real environment before testing with customers and staff," says Ferguson. "From there we were able to make the tweaks for the next branch."

The rationale behind aperió wasn't, as at WaMu, primarily to draw in new banking clients. Rather, it was developed in tandem with Coast Capital's brand, summed up in the phrase "How can we help you?" This member-driven focus is enabled by the flexible layout, which allows employees to shift from area to area and function to function as needs dictate. (For more on Coast Capital's award-winning branding strategy, see Marketing Maven, page 38.) Staff is now trained in what Ferguson describes as the aperió attitude: "There are few offices, less of a hierarchy."

Still, not every Coast Capital branch gets the full complement of swirls and swivels. Depending on available capital, "some are aperió lite," says Ferguson. But overall the similarities are more apparent than the differences. Beyond reinforcing the brand, this homogeneity helps the credit union lower the overall expense of developing branches by streamlining the design process and enabling bulk purchases of materials and furnishings. In this way, the credit union manages to keep its capital costs to slightly over \$1 million for branches averaging about 3,500 square feet.



Three takes on the teller line: (top-bottom) Coast Capital's informal "aperio" concept emphasizes the credit union's un-stuffy brand; the spa-like approach taken by North Shore underscores its commitment to financial wellness; Vancity's Lynn Creek branch reflects its West Coast surroundings with an indoor "forest" and a 23-foot totem pole.



While the design of the various **Vancouver City Savings Credit Union** branches (at last count there were about 60) cannot be succinctly expressed in a catch phrase, the brand itself aligns with ideas such as innovation, integrity, community presence and environmental sustainability. But whereas Coast Capital adopted the aperio approach in a bid for consistency, Canada's largest credit union sought ways to take the monolithic edge off. "In the 1990s we had more of a cookie-cutter approach," says Vancity's manager of facility planning, Immanuel Starchild. "But, over time, we realized that each community is different, and now we try to reflect that."

That's why, in West Vancouver, natural materials including slate, grey wood and putty-coloured river-rock tiles are juxtaposed with creamy parchment-coloured glass, reminiscent of the high-rise city of glass that lies just across the Lions Gate Bridge. Starchild explains that this 2009 branch renovation reflects the close connection the community has to downtown Vancouver, as well as the "sophisticated members of the area," residents of one of Canada's wealthiest communities.

Meanwhile, the Lynn Creek Community Branch in North Vancouver, which opened in 2003, pays homage to its mountainous surroundings with an indoor pine "forest," a natural rock-face feature wall and, gracing its spacious atrium, a 23-foot-tall totem pole.

Just as distinct is Vancity's Walnut Grove Community Branch, located in the agriculture-rich Fraser Valley, but in commuting distance from downtown Vancouver. The new build, completed in 2007, has a warm, rustic feel. Its deep red accents mimic the colour of cranberry fields, an iconic local feature.

How did the trio end up being so different from one another? It wasn't a dictate from head office or the whim of a hired designer. Instead, explains Starchild, Vancity's design approach in each case began with two focus groups: one for employees and one for members. The questions commenced broadly ("What visual feature makes you think of this area?") and gradually narrowed ("How could we represent 'ocean' in the material finishes?"). The answers ("Glass." "The colour blue.") supplied the

interior designers with a starting point for the development of material palettes.

These focus groups, moderated sometimes by in-house staff, sometimes by external design consultants, provided input into the look and feel of the interior design. They didn't touch on the floorplan. In fact, Vancity adheres to a very traditional branch layout, a point that Starchild makes no bones about: "We've been at this for a long time and we know what works."

But where the credit union is entirely progressive is in its emphasis on the environment. The carbon-neutral credit union maintains a focus on sustainability that informs every step of the design process, says Starchild.

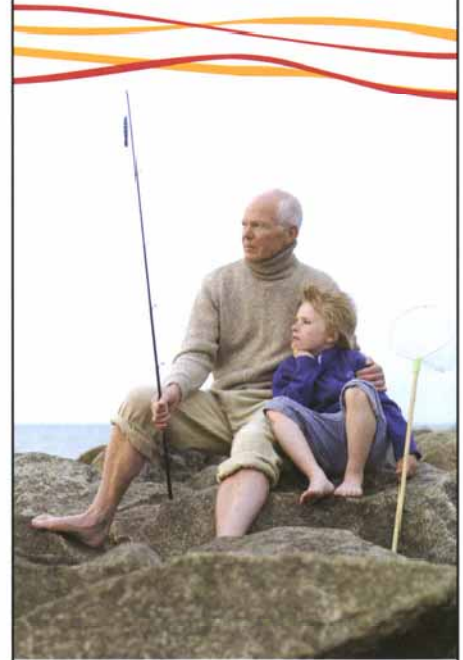
Virtually all its branches are located on transit routes, and many have showers and lockers for staff to encourage bicycling. Renovations and new construction are carried out using LEED (Leadership in Energy and Environmental Design) green building standards. In the case of bigger projects, that also means a buy-local policy to reduce the transportation footprint and curtained walls of windows to bring in natural light (a feature which both conserves electrical energy and creates a healthier workplace).

Branch freshenings are equally affected. At the West Vancouver location, office furniture was reconditioned or refinished in recycled materials instead of being replaced. Carpet tiles instead of wall-to-wall enable easy replacement of worn patches, and can be repositioned if the floorplan is altered – factors that also help keep costs down. Even so, Vancity was reluctant to divulge its average branch renovation figures, citing too wide a variance between locations.

Between them, Vancity and Coast Capital have some \$23 billion in assets – about the same as the remainder of English Canada's largest 10 credit unions combined. Yet in the lush West Coast credit union ecosystem, growing organizations are also using innovative branch design to compete for a place in the sun.

This quickly becomes apparent upon entering a building a few blocks east of Vancity's West Vancouver location. Inside the foyer, a concierge proffers a friendly greeting. Turn left to find yourself in a neighbouring business, which happens to be an upmarket coffee shop. ▶

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THE RENO GUYS

MAYBE YOUR CREDIT UNION won't convene focus groups when it's time to repaint the wall. Maybe you're not ready to turn your locations inside out. Maybe the members wouldn't put up with a branch that looks like a mountain retreat. But none of that reduces the imperative to stay "on brand," to freshen up existing branches, and to ensure that new ones don't face instant obsolescence.

With these thoughts in mind, meet two consultants who make credit union design and branding their primary business. Both are architects who live in southern Ontario. One, Walter Harnisch, even frequents a credit union branch designed by the other, Greg Ward. But both are road warriors who report that their work is spread across the country.

Ward, who helms the Waterloo-based First Financial Building Corp. (1stfinancialbuilding.com), is a strong proponent of the retail orientation apparent at the big Vancouver credit unions. "Twenty years ago, the teller line determined the layout," he says. But today modern cash-handling systems allow much greater design flexibility and free up tellers to interact with members, enabling them to actively sell products rather than simply filling orders.

Style is also important, but there is no key trend to adhere to, Ward asserts. A building he designed for Manitoba's **Steinbach Credit Union**, nearing completion and slated to be one of Canada's largest branches, is "clean and modern; it sent a

message about the future." By employing a bold use of glass and angles, as well as a number of environmentally conscious features (such as geothermal heating), the building embraces forward thinking in both esthetics and practice. Meanwhile, the St. Thomas branch of the **Libro Financial Group** in southern Ontario took its cues – including large overhangs, sweeping windows and a high-pitched roof – from a nearby heritage railway station, putting emphasis on St. Thomas' history as an important railroad hub.

At London-based Foxchapel (foxchapel.ca) Harnisch relishes the way a community can be reflected in a branch design. "I try to make each credit union a character unto itself," he says. That's why at the Tumbler Ridge branch of **B.C.'s Lake View Credit Union**, he applied local materials and wildlife iconography to the wall treatments, evoking the surrounding foothills, while keeping to a tight budget. "Especially in smaller communities there's a worry about taking things too far," he allows. "You don't want members saying, 'There goes my money,' but a branch also doesn't have to lack colour and texture."

Harnisch echoes Ward in the sentiment that design and branding should further the personal relationships that have always been part of the credit union experience. "Banks are now going through the same revelation," he says. "But they're never part of the community in the same way." —J.S.



Turn right and you're in a spa – or so you'd think from the natural materials and textures, the burbling water and hushed ambience, the discreet signage adorned with words asking only that you "Dream" or "Aspire."

It's not a spa, of course, it's a credit union, complete with loan managers and tellers. But if someone is momentarily fooled, it's not by accident. According to **North Shore Credit Union's** chief information officer Fred Cook, "Our branches are a staged experience. There's an engineered flow."

North Shore travels much farther down the road toward retail scene-setting than its Vancouver-based credit union counterparts. "A brand is not a logo, a font or colour," Cook emphasizes. "It's the experience."

The credit union employed Seattle-based EHS Design and Weber Marketing Group in

developing the framework for its brand. These consultants facilitated a design charrette, essentially a brainstorming session, attended by more than 20 employees from across the North Shore organization. From that process, the facilitators distilled the group's ideas into two words: financial wellness.

A spa concept was the logical extension and, through this initial idea, the "iBranch" was born in 2006 (wherein "i" stands for "innovative, imaginative, inspiring, informative and intimate").

Due to physical constraints, not all of the five current iBranches received the full spa treatment, but all got some of the basics: the concierge zone, interactive teller pods, not unlike Coast Capital's, and a floorplan that has most offices facing inward. This feature, says Cook, along with the concierge and the

distance from teller stations to the entrance, make the branches surprisingly secure in spite of the relaxed feel. As at Vancity, natural materials such as wood, stone, tile and glass are pervasive. Somewhat surprisingly, North Shore's interior design budget is also comparable to its competition: between \$1.5 million and \$2 million for branches approaching 5,000 square feet.

The three credit unions also agree on how long their designs are expected to last without major refreshing. In the short term, constantly evolving signage and displays will help keep the look from growing stale. Nevertheless, all estimate being back at the drawing board within a decade. Looking back at the last 10 or 15 years, they recognize how quickly the world changes, and how brand image and identity must change with it. **E**