



# Branch Transformation

Nice-looking is no longer enough. Branches should be built on a solid brand that communicates a consistent message upon every visit.

By Jamie McMahon

Wisconsin and Illinois-based Heritage Credit Union ([www.heritagecu.org](http://www.heritagecu.org)) boasts a 77-year history that all but demands a brand tied to the CU mission of serving others. Heritage CU was founded during the worst of the Great Depression by Adolph Bolz with a main goal of lending a few dollars between paychecks to employees of the Oscar Mayer Company—owned by Bolz's brother-in-law, Oscar F. Mayer.

"The dreams of our leaders back then were not very different from today's dreams," wrote Heritage CEO Bob Lestina, a CUES member, in a message celebrating the CU's 75-year anniversary. "They wanted to provide an opportunity for their co-workers to own a home; educate their children; save for retirement; and achieve a decent standard of living—to live with dignity."

Ten years ago, however, a member entering a Heritage CU branch may have found it difficult to identify with the credit union's history and essence. Heritage CU had changed its name from Oscar Mayer Credit Union in 1982, and around the same time had acquired a number of unrelated SEG and community credit unions, one as far south as New Mexico. The diversity left Heritage CU with a disjointed vision and image.

At one point, the \$220 million/23,000-member CU was operating 22 branches in eight states.

"I'm not exactly sure we had a specific brand. There was a sense that we wanted to make things fun and inviting for members, but most of our branches had very different origins and were located in unique communities, so consistency was challenging," says CUES member Caroline Redmann, VP/innovation at Heritage CU. "We needed to clean up our branch modeling and developed a closer network of branches in just Wisconsin and Illinois. Today we have a much better mix of only eight branches."

The rebranding of Heritage CU's branches required no less than a full examination

and declaration of its identity. This included pinpointing the theme that tied its facilities (still spanning two states) together, and the ways in which this theme set it apart from competitors.

Many credit unions, in the wake of mergers or simply the realization that their branches fall short in communicating their brand to members, are deciding to take this holistic approach toward branch redesign. Teller pods, in-branch cafes and iPad-equipped greeters aside (don't worry, we'll revisit them later), credit unions are first taking pains to recognize what makes them and their members unique, then setting the research as a cornerstone of any branch rebrand before even thinking about the aesthetics of colors, furniture and floor plans.

Mark Weber, president of CUES Supplier member Weber Marketing Group ([www.webermarketing.com](http://www.webermarketing.com)), Seattle, says a strategic approach to branch design is more important than ever, as a 2011 JD Powers Study shows brand image and, by extension, branch image, is the No. 1 factor in people's selection of a banking provider.

"Today we're really trying to understand how facilities can become a greater tool for changing behavior of members, for enhancing brand experiences, and for setting an organization apart in the midst of an industry that looks a lot alike from one branch to another," he says.

At the heart of this movement is the shift from a transaction-driven to a retail-based branch model, "where every square inch is

based on driving a unique brand experience," according to Weber. The first step of any comprehensive facilities rebrand, therefore, should be identifying the message all those inches will be sending.

Heritage CU's Redmann will tell you that it takes a special staff for a mid-sized credit union to complete a large-scale rebrand almost entirely in-house, as they did. Without the special blend of experts in areas like facilities, IT, HR, marketing and project management, Heritage CU would've had to solicit further outside help.

## All Aboard

But Redmann says one of the key lessons she took away from the experience is that even if the process had been less internal, it still would have had to begin with Heritage CU employees. From the beginning, representatives of each of the credit union's departments had a say in the new vision and brand.

"In order for you to have a successful brand, it needs to be felt, needs to be believed," Redmann says. "I hate to use the word buy-in, but employees have to be a part of the process."

Weber says it is a common downfall of brand-level design: Credit unions limit the discussion to only individuals at the top and in the facilities and operations departments.

"When you exclude a key line department, then ask them to make behavioral changes based on what an architect has come up with, there's a disconnect, and I see it all the

time," he says. "The façade may change, but changes among staff and members will be hit and miss."

This is especially important to the fluidity of some of the behind-the-scenes aspects of a branch rebrand. Redmann says one of Heritage CU's main goals was consistent, exceptional service, and having departments on board with the project made it easier to impose new processes uniformly from branch to branch.

A particularly well-executed rebranding will also improve the energy with which employees carry out those processes.

"Rebranding can reinvigorate an organization," says Paul Seibert, CMC, VP/financial services at CUES Supplier member EHS Design ([www.ehs-design.com](http://www.ehs-design.com)), Seattle, and author of *CUES Complete Guide to Credit Union Facilities*. "Also, if you're looking to make branches more about relational development, for example, it can attract that type of employee well-suited for the environment."

## Determining a Project Scope

Not all rebrands will involve a full taking-apart of a branch model, which might prove too expensive or simply unnecessary. Beginning with comparatively modest goals is fine. But a credit union should recognize them as such and avoid confusing short-term goals with the building of long-term brand identity.

CUs looking for a more immediate response—those asking questions like, "How do we improve cross sales throughout



Visions FCU tailors its branches to the community it serves. The left branch has a young and fun vibe while the right one resembles a winery.

our branches?”—should take a more tactical approach. Seibert uses the term “brand wrap,” for example, to refer to a straightforward change applied across an entire branch network.

“You can do it with 15, 30 branches at a time,” he says. “Sometimes we’ll add paint, furniture, a certain kind of lighting, or a kiosk element.” He says some brand wraps, such as a message board between the front door and teller line that improves both merchandising and security, can serve multiple purposes.

On the other hand, any credit union looking to change more than short-term member behavior should begin by asking some difficult questions. This includes putting an equal amount of energy into both defining a brand and its goals and following through on them in the branch model.

“Rather than engineering the branch based on goals, many will make it look really attractive and think that’ll do it,” Seibert says. “But is it on brand? Is the entire experience on brand? It goes back to taking the branch apart from where it’s evolved from, then looking at reforming the branch to engineer the kinds of responses you want from members.”

A line of questioning in a longer-term project, according to Seibert, might be, “How does our staff act? What do our tellers do, and what are they going to do in the future? Do they tell members to go somewhere and take a number, or do they walk them around the branch and hand them off to another person? If that’s the case, should we even call them ‘tellers’ anymore?”

Weber says more credit unions these days are delving deeper into the reasoning behind branch design for a number of reasons—among them mergers, advances in technology, and new attitudes in the wake of the recession. Most of all, he says, credit unions are more sophisticated than ever, and a full rebrand is sometimes the only way to overcome the stigma that they’re limited in their services.

“Starting about four years ago, there has never been a greater focus on stepping back and asking core business questions about where you’re going as an organization and how your facilities reflect that to consumers,” Weber says.

## Tailored Applications of a Single Brand

Once a credit union has outlined the themes that will tie its branches together, it is time to get more specific at the single-branch level. A good example of this is \$278 million/28,000-member Greater Iowa Credit Union ([www.greateriowacu.org](http://www.greateriowacu.org)), Ames, Iowa, which, after a series of mergers, decided six years ago to begin a holistic rebranding project.

CUES member Shazia Manus, CSE, CCE, president/CEO of Greater Iowa CU at the time of this interview (she has since been named CEO of CUES Supplier member The Members Group ([www.themembersgroup.com](http://www.themembersgroup.com)), Des Moines), says the CU had “all sorts of brands floating around.” So in-house staff developed a corporate identity manual that defined Greater Iowa CU’s brand as a trusted, inviting financial institution that embraces new generations and technology.

As part of that, the credit union acquired a branch in fall 2009 with the goal of “making a splash in a new market” and attracting younger members. With the help of Milwaukee-based LaMacchia Group ([www.lamacchiagroup.com](http://www.lamacchiagroup.com)), Greater Iowa CU selected a location based on demographic data, then tailored the branch to a younger generation with a café, touch-pad stations, and iPad-equipped concierges.

“The perception is that credit unions don’t have a lot of products or technology solutions,” Manus says. “We wanted to change that stereotype and attract Gen Ys.”

Greater Iowa CU opened its branch last July, and has since lowered the average age of its membership by seven years.

Ralph LaMacchia, president of LaMacchia Group (which has also done work for Heritage CU), says that in a case like Greater Iowa CU’s, analyzing the location and surrounding population of a single branch is just as important as applying an overarching brand.

“Demographics are key,” he says. “We study where existing and potential members live, what they do, what magazines they read, the advertisements that typically work best on them—then translate that into colors, shapes, images, etc.”

There are also less scientific options for

molding a branch to fit its surroundings. Kim Rittmeier, marketing and PR manager at CUES Supplier member DEI Inc. ([www.dei-corp.com](http://www.dei-corp.com)), Cincinnati, says DEI has done several projects for New York and Pennsylvania-based \$2.6 billion/127,000-member Visions Federal Credit Union ([www.visionsfcu.org](http://www.visionsfcu.org)) to theme branches based on local landmarks. For example, Visions FCU has nautical-, mountain-, and vineyard-themed branches.

Rittmeier says that while some credit unions want complete brand consistency across all branches, “Visions presents consistency through services and amenities provided, graphic treatments, and the consistency of designing a branch to reflect the area in which it is located.”

Once a comprehensive facilities rebrand reaches the single-branch level, Rittmeier says, it is common to design and gauge the success of a flagship branch, then roll the brand out to others.

## Putting it all Together

When a CU finally has determined both its message and the people it wishes to reach with that message, it is time to begin translating all of it into a cohesive branch design. LaMacchia says his company even breaks this part down, applying the brand to three separate radii.

“At the 200-foot touch point, there needs to be something consistently recognizable—a logo, a type of roof, landscaping—that gets members inside,” he says. “The 30-foot touch point comes when a member enters the branch: Do they immediately identify and feel comfortable with the credit union? Do they feel welcome? At the two-foot touch point, members should feel the brand come through when they’re talking with an employee to open an account.”

Kim Guslick, manager/branded environments at LaMacchia Group, says once a member enters the building, the first priority is distracting them, if only briefly.

“People are usually thinking about the next thing they have to do, or about what they just did,” she says. “You have to get them away from that thought and focused

on your brand. Some may want to get through quickly or some may be looking for a minute of repose, but either way you have to distract them first.”

According to Manus, Greater Iowa CU decided to accomplish this by focusing on four dimensions:

- 1.) experience, i.e. distracting members with the sight of messaging, the smell of coffee, and the touch of products in a demo area;
- 2.) entertainment, which includes engaging employees and graphic displays;
- 3.) aesthetics: a polished look with a consistent color scheme; and
- 4.) education, with every employee always ready with three or four messages to relate to members.

Greater Iowa CU outfitted its redesigned branch with brick, stone and glass, which Manus says have proved timeless and will ensure the design won't look outdated in 20 years. LaMacchia Group's Guslick says every credit union must be different—imagining the silliness that would result from every new branch being painted honeysuckle, the 2011 “Color of the Year”—but added it's a safe bet to stay away from heavy materials like gold, marble and brass, which most members don't relate to easily.

As for Heritage CU, Redmann says her CU finally settled on a warm, welcoming brand that makes members feel like they're coming to a trusted family member. Like Greater Iowa CU, this also translated to offering freshly brewed coffee (Heritage CU has its own blend). Decorated with warm tones, branches have leather chairs, fireplaces, and greeters in place of signs giving directions.

“It's a little bit different and unique for a financial institution,” Redmann says. “Some members initially come in and say they don't quite get whether it is a coffee shop or a credit union, but then maybe they'll sit down and ask a question they say they've always been afraid to ask before, because the environment makes them feel comfortable.”


Redmann and Manus say they support the use of new technology, but only in ways that help employees give better personal service.

And while it will be awhile before either

sees the full fruition of their rebranding projects, both are confident in the processes that led them to this point.

“It's not going to happen overnight, and it's a challenge to find your brand,” Manus says. “But once you do, it becomes your promise, and you just keep living it, keep extending the mission to everything you do.”

“I would not say that branches are the

most important part of a brand, but they can make or break it: For they're the touch point for our members,” Redmann adds. “You can have consistent marketing all day long, but if you're not consistent with the people you're touching every time, you're not going to have success.” 

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## Resources

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