

Extraco Walks the Walk with a Branch of the Future

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By Philip Ryan

You've heard about the bank branch of the future, haven't you? It will be smaller, with a more specialized staff, will include plentiful self-service options, and be highly customer-centric.

That sounds a lot like the new branch Extraco Financial Group opened last week in Marble Falls, Texas, a small town outside Austin. As a small community bank – Extraco has 16 locations and \$1.2 billion of assets — Extraco needs to get creative, and fast. It is willing to try anything. It even put a car in the lobby at one branch as a conversation-starter. (More on that later.)

It's no secret that community banks are struggling today. With an increased regulatory burden, scant net interest margins, and customers expecting more and more from their mobile devices, it's an extremely challenging for community banks to remain true to their customers' expectations without forgoing profits.



James Geeslin, vice chairman and chief sales officer of [Extraco Banks](#), has put a lot of thought into what can help community banks compete — or, as he starkly puts it, survive — in today's environment. Geeslin is a consultant in addition to being a community banker, and was recognized as the Maverick Banker of the Year for 2011 by BAI for his idea of Swarm Banking, which Extraco calls a “methodology that involves retooling people, processes, products and technology to be competitive in today's fast-changing retail banking environment.”

Extraco has assembled a mobile app with remote-deposit capture (RDC), chat, text-banking, which are the most requested features. “We sell 60% of our consumer loans through our customer care center,” Geeslin said.

But it all begins with the human touch in the bank lobby, to which Geeslin has given a great deal of thought. “Branches existed way before the other channels,” he said. “They're out of date. The customer is changing and the technology is changing, too. The smartphone is changing the way the customer thinks. People now *want* self-service. To get them to come to the branch, you have to give them a 'wow' experience.”

But what is a “wow” experience? Extraco begins by putting a premium on employee-customer interactions. Before hiring, the bank interviews prospective tellers nine times, and requests 15 references, each of which is thoroughly checked.

“When you walk into our lobby, a rep is onto you in five seconds,” Geeslin said. This would be the beginning of Swarm Banking, as Geeslin calls it. “They start a conversation. You have to hire more outgoing people. Sitting behind a desk doesn’t work anymore. We need to take ideas from other industries. Branches have too much real estate. You have granite and marble in your lobby? It looks like a funeral home. Why would you go there?”

“Why can’t a bank be like Starbucks or other transactional industries? In a competitive environment, good customer service is going to win. Customers will have a good experience if the employees enjoy it. Bankers are a dry bunch. You’ve got to get your org chart right. The guys who make the cars don’t sell them.”

Speaking of selling cars, the real “wow” experience Geeslin describes is shown above.

“I keep a car in the lobby at one branch. It’s a conversation starter. It’s also a showpiece from a dealer we do business with.” Geeslin reflected for a moment, his inner salesman bubbling to the surface. “I would like to sell the car, if I could.”

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