

Opening or renovating a branch?

Follow these strategies, along with Covid-19 considerations, for a successful outcome.



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The decision to open or renovate a bank branch is an undertaking.

And now considering the COVID-19 strain on banks it might be the furthest thing from a bankers' mind. But then again it might be the perfect time to analyze, prepare and rethink your branching strategy.

You're committed to growing your retail branch network to

meet changing customer demands, secure deposits and grow the loan portfolio, but how do you turn your vision into reality?

The simple truth is – if done right, the branch will flourish. If you miss the mark, you'll waste precious resources and lose your competitive edge.

Building or renovating a branch involves properly orchestrating many moving pieces. Here are the top strategies to keep in mind.

Choose the right partner

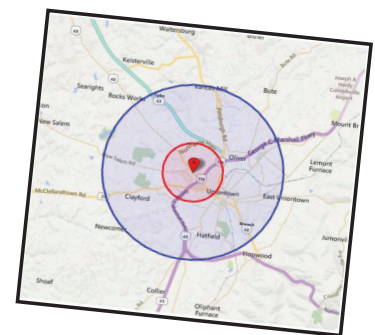
Though you might be tempted to juggle local contractors yourself thinking it'll keep costs down, it's the fastest way to lose time and money. Do you really have the bandwidth to play general contractor, coordinating everyone from your architects to the electricians to code inspectors? As a former banker I've been in your shoes and, I spent more time managing the building process than running my bank.

When you choose an experienced turnkey partner, you can trust one company to handle your entire project from conceptual design through construction to handing over the keys to your finished building. A single, full-service firm employs all the experts you need under one roof. The advantage is you work with a coordinated team that includes every role from registered architects, construction managers and field supervisors, to IT and technology solution specialists, interior designers and the operations/finance personnel who help to keep your project on budget. And now with Covid-19 implications, you need a partner that is able to assist you with items to protect both your customers and your employees now and in the future.

Select the right site

Location, location, location.

Customers want a location that's easy to get to – and use – during lunch breaks, errands, to and from work, and weekends. The partner you select should be able to perform a thorough demographic analysis to understand the needs of your target audience so potential locations that fit the bill can be identified.



Real estate experts can help you find the right site at the right price, whether you're looking to lease or purchase. Turnkey partners help you weigh your options based on size, topography, access and development costs. You should also rely on your partner to conduct a site investigation to uncover potential challenges and ensure the site is build-ready. This review informs you of environmental issues, soil conditions, drainage or traffic concerns, easements and property ownership factors that can

adversely affect or delay your project. If you're undertaking a renovation, your partner should focus on ADA compliance, structural reviews and securing the proper permitting.

Follow the right process

To execute every facet of your project properly, whether renovation or new build, your partner must be adept at adhering to strict, quality-control processes. This is best achieved by breaking a project into two parts – preconstruction and construction management – and mapping out the steps in detail. Having a clear roadmap, including COVID-19 elements that may need to be incorporated into the design, will guide your project from start to finish and set expectations so you have a firm grip on the budget and timing.

During preconstruction, you should receive a comprehensive needs assessment, which leads to preliminary designs and schematics for your site plan, floor plans, merchandising and technology plans. You should also expect a construction schedule that specifies the estimated timing for each task, an upfront estimate and a break-even analysis.

During construction management, you should receive final exterior and interior designs, engineering plans and the necessary permits to start work. Your design-build partner will manage the construction, hire and supervise local subcontractors, coordinate equipment, plus update the construction schedule weekly and provide regular progress reports. A consistent approach and vigilant oversight of the process ensures that your project stays on track and on budget.

Capture the right brand experience



Your building is an important marketing tool and an expression of your brand. From colors to logos to local personality, make sure your brand comes through in unique architectural features, furniture, promotional signage and merchandising. New designs should include plans to showcase your brand in every zone by consistently utilizing standard wall frames, fixtures and wayfinding, plus technology solutions such as iPads, digital screens and kiosks – all with branded graphics and messaging.

During this design process, 3D renderings are typically provided, allowing you to take a realistic, virtual walk-through of the proposed environment so you can experience firsthand what your customers will see. Your partner should also offer full interior design services to coordinate furniture, fabrics, finishes, lighting and accessories in the right style and colors.

Build in the right technology

The branch experience has been transformed to feel more like an Apple store than a traditional bank. Branches are challenged to entice customers with physical spaces that are vibrant and technologically savvy. Though they still value personal, face-to-face interactions with your staff, customers also expect to find interactive screens, tablets and Wi-Fi.



Building today's smart branch requires having an in-house technology team who can suggest ways to incorporate the technology solutions you need with design strategies to integrate features like iPads, video walls, touchscreens, interactive teller machines (ITMs) and even video bankers. The right partner will not only design your system, they'll install it and maintain it after you move in.



The use of technology in retail branches has been slow, but since COVID-19, banks have accelerated digital plans to meet demands of the crisis. Who really knows if the crisis will have a lasting affect on branch design, but one guarantee is certain... bankers will

consider the installation of more technology in their branches.

Stick to the right price

Realize that if someone quotes a low-ball bid going in to get the job, it's probably not going to be the same price going out. Many times, banks award their branch project to the lowest bidder, only to rack up change orders that jack up the final cost.

You should receive a schematic estimate up front outlining your anticipated design, construction, labor and materials costs. It's a comprehensive budget that details what your partner will deliver, and the cost to you, before moving any further. You should also expect a financial break-even analysis that weighs the entire cost against projected revenue increases so you know how long it will take to achieve a return on your investment.

These recommendations can help guide your decisions on the best way to grow your retail branch network. By following these suggestions, you'll be better equipped to create an attractive, safe and cost-efficient addition to your financial institution.

James G. Caliendo is a former bank executive and now President and COO at the 110 year old design-build and retail services firm. In the past 18 years alone, under Jim's direction, PWCampbell has worked with over 500 financial institutions influencing millions of square feet of retail and operational space to create engaging, impactful and scalable solutions for every sized facility project.