“Good things come in small packages” as they say and now that popular proverb can include bank branches of today and into the future. Traditionally, bank branches used to occupy over 4,000 square feet complete with large teller lines, walk-in vaults, numerous private offices and spacious lobbies. Today’s bank branches, however, need to undergo a complete transformation, packing in a heap of customer service, education, technology and marketing into 2,000 square feet or less.

Account holders visit a branch for different reasons now. As a result, many banks are changing their branch models to take advantage of technological advances and self-service options, enabling them to downsize physical space, decrease staff and maximize operating efficiencies.

With smaller retail space, it is now more important than ever that banks make the most of it. So, exactly how are banks maximizing their reduced retail space? Rather than the transaction driven branches of the past, bankers are taking lessons from the large, successful retailers of the world and creating a customer experience within their newly defined environment. You can find features from internet café’s to self-service machines to touch screen iPads, and everything in between. Technology advancements have opened the door to a variety of space saving solutions eliminating bulky equipment and mounds of paper. In addition, recent staffing models such as the Universal Banker, which reduces the number of employees needed to staff a branch, have

According to The Financial Brand, the average size for planned freestanding branches was reported at 3,040 square feet, down significantly from 3,500 square feet in 2006 and 3,900 square feet in 2003; the median was 2,950 square feet.
enabled today’s bank branch to operate more efficiently in a much smaller space.

One of the first things you will notice in a branch that has undergone this new transformation, is that there is no longer a large teller line. Instead greeter stations and multi-faceted customer service “pods” that take up a fraction of the space are used. Routine transactions such as check cashing to more advanced consultative services and account openings can now take place in one spot, eliminating the need for multiple offices or stations.

Another visible change will be the look and feel of the branch or the customer experience. These branches tend to have a more open platform and be retail and commercial oriented in nature. They also have a considerable amount of branding, messaging and educational information – both in the traditional format of signage and displays as well as digital mediums that tend to be more engaging.

Perhaps the most notable difference is the addition of convenient, time saving self-service advancements such as new-age ATMs, interactive teller machines, and video conferencing. These options offer greater capabilities and flexibility for the tech-savvy millennials while reducing the space requirements traditionally needed to provide such services.

As you can see, as the world around us changes, banks too must look for new ways to adapt. And, although these changes are not suitable for every bank culture, corporate philosophy or customer demographic, branches are becoming one more phenomenon proving that bigger may not always be better.

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