

# Branch Transformation Success: Coastal Federal Credit Union



- \$2.5 billion in assets
- 17 branches in North Carolina
- More than 200,000 members

## Branch Transformation Benefits

- Positions your credit union as a leader in the shift toward branch and teller automation.
- Optimizes your branch for the combination of self-service and live-teller full-service that is right for you.
- Engages members with a more convenient and personalized experience at the ATM.
- Increases branch efficiencies and reduces operational cost.

With \$2.5 billion in assets and more than 200,000 members, Raleigh, N.C.-based Coastal Federal Credit Union ([www.coastal24.com](http://www.coastal24.com)) is the state's second largest credit union. Like many other financial institutions, Coastal's management team recently decided that changes in its branch structure were imperative for its future success.

According to Willard Ross, senior vice president and chief retail officer for Coastal, "We had a solid foundation for delivering services, great products and sizeable market share. But our expenses were too high, and our sales were too low for products such as loans and new accounts."

To boost revenue, streamline operations and better serve members, Coastal set out to transform its branches with a comprehensive five-year plan designed to increase automation, elevate employees into higher-level sales and service roles, and bring innovative new products into the portfolio.

"As a credit union, our members are both customers and stockholders," said Ross. "So we developed a strategy to serve them on many levels."

For Coastal, transforming branches started with the elimination of eight underperforming and out-of-market locations. Today, its 17 branches are staffed by highly trained associates focused exclusively on consultative member services. Teller transactional services are provided by a centralized team of tellers via video through Personal Teller Machines (PTMs) located in each branch.

"In total, the branch closings reduced our operating expenses by \$5 million annually," said Ross. "Thanks to PTMs, we now operate with 40 percent fewer tellers, we have increased our teller hours of operation by 86 percent and now serve members from 7 a.m. to 7 p.m., seven days a week. At the same time, our sales have almost doubled, going from 1.58 sales per day per branch associate to more than three sales per day per associate."

## Coastal Members are "Going Green"

Ross attributes much of Coastal's sales success to a product introduced in 2008, the Go Green high-yield checking account. Backed by CO-OP Financial Services (co-opfs.org) Signature and PIN debit processing, Go Green accounts require no minimum balance or monthly fee, and pay 2.01 percent annual percentage yield (APY) for members that use their debit card 30 times per month. To further drive sales, a VIP patronage dividend is now given to qualifying members.

"Go Green rewards card usage and requires a solid processing engine behind it," said Ross. "We now see on average more than 1,000 new checking accounts opened each month, and 80 percent of them are Go Green accounts."

Coastal also relies on the CO-OP Revelation data analytics tool to pinpoint merchants and locations most frequented by members, helping Coastal both improve its marketing efforts and decide where to locate new branches.

"With Revelation, we can get a very granular view of what is going on with card usage," said Ross. "For example, we can generate a list of members whose cards were denied and then market overdraft protection to them so they can avoid that embarrassment in the future."

To learn how easily you can transform your branch capabilities and efficiency, contact [sales@co-opfs.org](mailto:sales@co-opfs.org) or call 800.782.9042, option 2.

## Providing Member Services Anytime, Anywhere

While the majority of its membership is local, Coastal enjoys a nationwide reach, with members spread across all 50 states. To provide in-branch services wherever needed, Coastal participates in CO-OP Shared Branching, with 5,300 locations, and CO-OP ATM, with 30,000 ATMs across the country. Members also benefit from 24/7, after-hours call center service through CO-OP Member Center, providing on-demand telephone assistance for everything from opening new accounts to managing loans.

"More than 40,000 calls per month go directly to CO-OP Member Center, dramatically reducing our employee workload," said Ross. "With support from CO-OP, we can now compete successfully with any nationwide financial institution, including all the big banks."

For Ross and his team, branch transformation is not completed yet. On the horizon is a major upgrade to Coastal's PTMs, which will soon be replaced by NCR Interactive Teller Machines, offered as part of CO-OP ATM Self-Service solutions.

"This new platform will allow us, for the first time, to offer both ATM self-service functionality plus full person-to-person teller service via video connection, all at one terminal for even greater member convenience," he said.

Ross added, "Successfully modernizing a branch network can't be done overnight. It takes several years and requires the entire organization to be engaged as the plan unfolds.

"Communication and training are vitally important, as is great sales behavior. When members walk into a credit union branch, they do not want employees pushing products at them in order to make a number. Great sales people establish relationships, identify needs and preferences, and guide customers to solutions that ultimately enhance their lives. That should be the goal of the credit union and the mission of every branch employee," said Ross.