

Modern Packet Networks are Essential for Branch Success

Banks are transforming their branch locations with new digital services that will make banking more personal and relevant to customers. This strategy requires bringing the best-possible network connectivity to each branch location. Banks will look to their service providers for modern, packet-based infrastructure that delivers optimum performance at all times and makes it possible to introduce new services efficiently and quickly.

Banks are highly motivated to reinvent the branch concept. The industry is more stable than it was a decade ago, but profitability is less than desired, and banks are striving for growth. While banks offer fewer branches than previously, the locations "remain an essential part of banks' operations and customer advisory functions," according to McKinsey & Company.¹

Moving forward, banks will make their branches more customer-centric, innovative, and accessible to improve the user experience. A branch could be anything from a 'banking café' with Wi-Fi access to a full-service location that offers traditional banking along with interactive screens, video-based consultants, online access to third-party options, and much more.

Banks will create these new capabilities with an assortment of cloud-based services, transformative technologies like Artificial Intelligence (AI), and collaborations with FinTechs and large tech companies that offer Web-based financial services. These advanced technologies require storage and compute upgrades in the data center and placement of resources close to the customer facility. Banks will need modern, packet-based networks to ensure each branch has high-capacity, real-time connectivity to these resources. Modern packet networks offer many additional strategic benefits, including the opportunity

to innovate services with software rather than hardware; openness and programmability; the flexibility to virtualize services; dynamic adaptability to changing network conditions; opportunities to use multi-vendor equipment; and the ability to use convenient and powerful optimization tools.

This paper describes the impacts digital branch services will have on the network and the benefits of a modern, packet-based infrastructure. It offers guidance service providers can use to implement networks that will help banks offer enhanced and highly differentiated services to their branch customers.

The branch of the future

Banks are already innovating to reinvent branch locations. They are tailoring their branches to the location and the types of services customers will expect in a given neighborhood or market.

Small-format branches: Most branches will be small in size, but they will be convenient and highly innovative. A branch could be a small kiosk staffed with one or two representatives during business hours and offering videoconferencing tools to connect customers to remote experts. A branch could be exclusively virtual, providing 24/7 video access to remote bankers or financial advisors. Some branches will be established as banking cafés with Wi-Fi access, where customers can relax or work while conducting bank business. Other branches will be temporary, such as pop-up banks set up at concerts or sports events.

Larger-format or full-service branches: Larger branches will provide a complete range of traditional banking services, augmented by online solutions that encourage customers to spend time on the premises. These locations could offer self-service ATMs, video conferencing access to remote