

# Reimagining the Workplace: Trends in Designing a Modern Credit Union

**Presented by**

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PWCampbell



## Today's Presentation

- Retail Branch Networks – Today
- Optimizing “What You Have”
- Operation Space
- Discussion/Questions





# Branches aren't going anywhere!

**49%**  
OF AMERICANS  
PREFER BANKING  
IN-PERSON

**25%**  
OF AMERICANS  
PREFER MOBILE  
BANKING

**26%**  
OF AMERICANS  
PREFER ONLINE  
BANKING



## YESTERDAY'S FOCUS



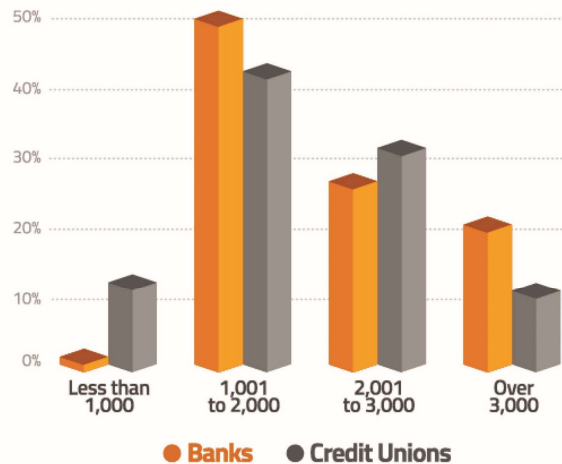
## TODAY'S FOCUS



## What's Going On in the Industry?

### HOW BIG?

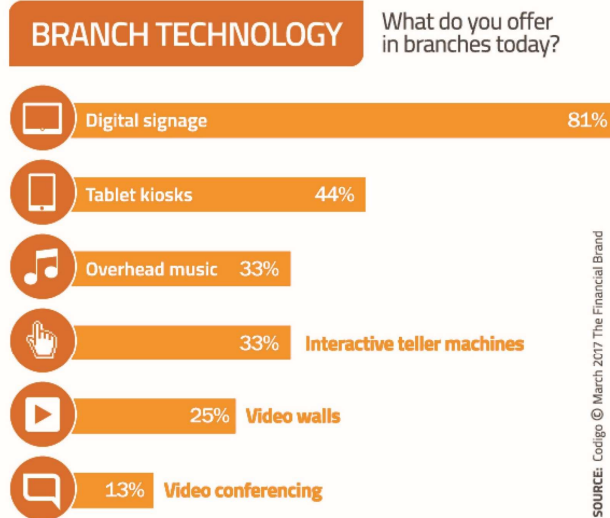
Average branch size in square feet.



SOURCE: Codigo © March 2017 The Financial Brand



# What's Going On in the Industry?



# What's Going On in the Industry?

## The Importance of Brand Relevance/Marketing

- Educate, solve problems, engage members
- Remove dated materials
- Augment marketing/advertising



# What's Going On in the Industry?

## The Importance of Brand Relevance/Marketing (cont.)

- Capitalize on promotion with relevant technology trends (digital)
- Customize messages quickly and cost effectively



# What's Going On in the Industry?

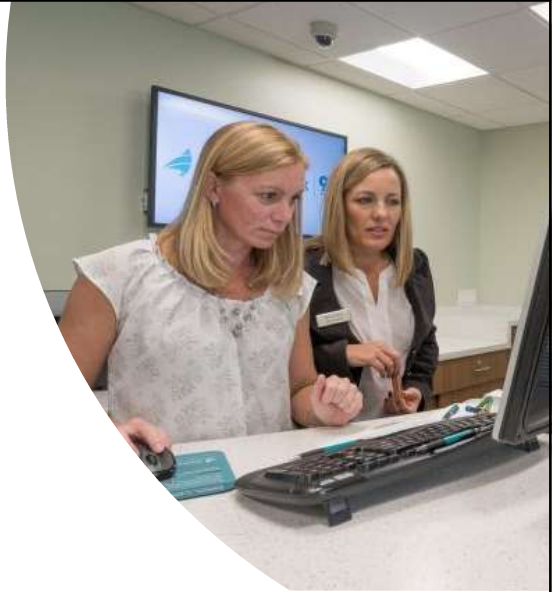
In five years, Millennials will make up the majority of the workforce. Today's banking environment doesn't meet their needs.



# Universal Staffing Model

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- Fewer full-time employees
- Operational vs. sales
- Universal responsibilities
- Engaging – type of people



# Universal Staffing Model

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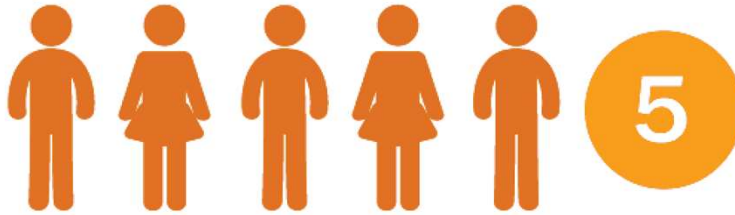
- Sales – type of people
- More outgoing people
- People who know more about banking products and services



# What's Going On in the Industry?

## STAFFING

Average number of employees anticipated for new locations.



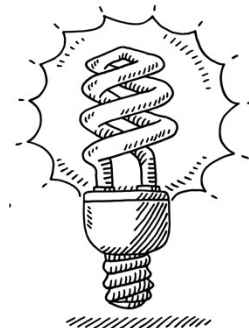
Last year, financial institutions planned on having 8 employees per branch vs. 5 this year.

SOURCE: Codigo © March 2017 The Financial Brand

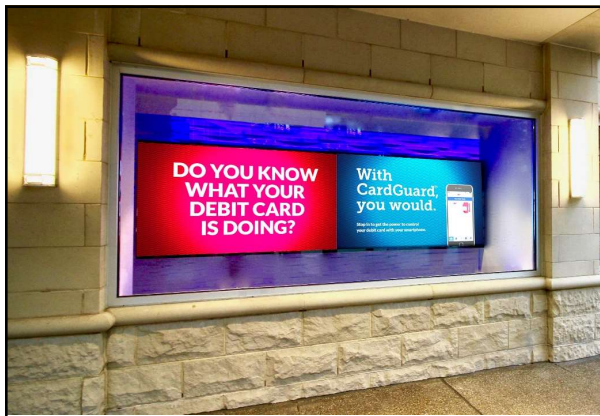


# Today's Real Challenge:

Servicing the  
Existing Traditional Member  
**AND**  
Attracting the  
New Generations



# Importance of Brand Relevance/Marketing



Technology Integration







Technology Integration

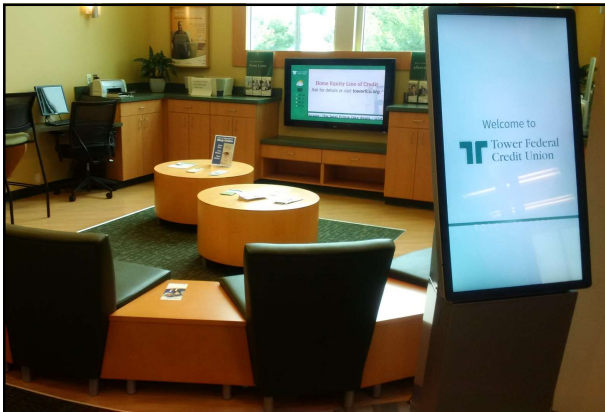


Technology Integration





# Technology Integration



# Technology Integration





# Technology Integration

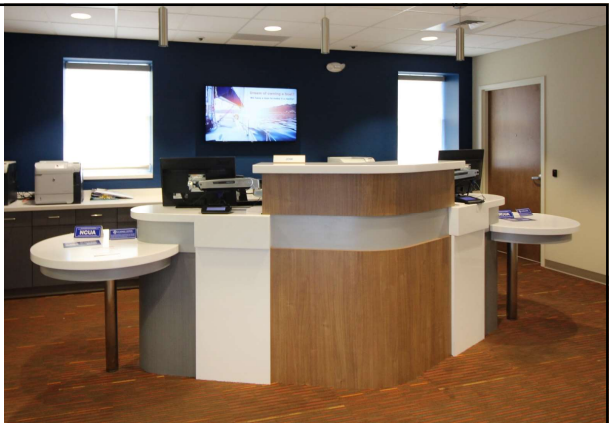
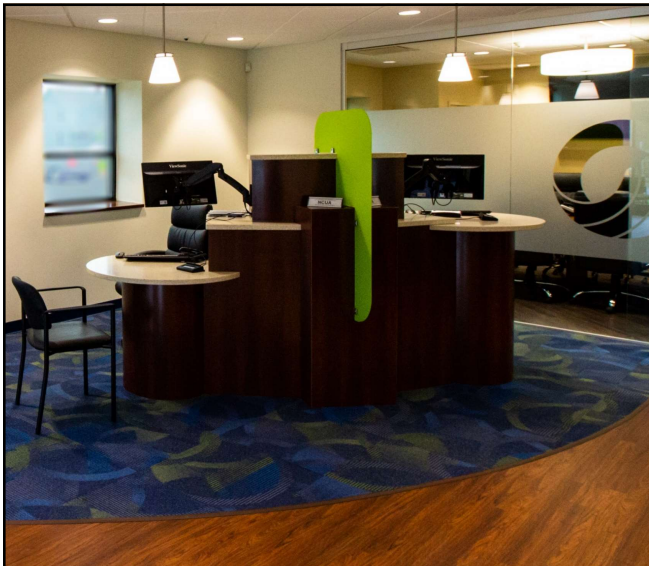


# Technology Integration



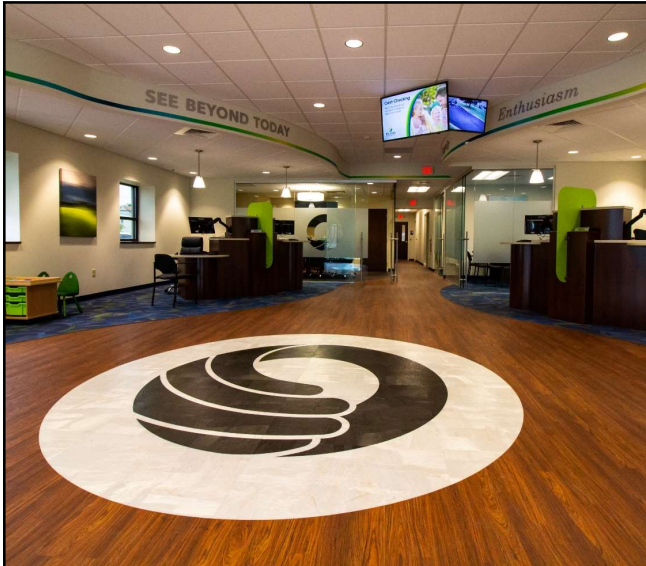


PODs



PODs





## Open Floor Plans



## Branding & Merchandising





Branding & Merchandising



Branding & Merchandising





## Welcome Walls

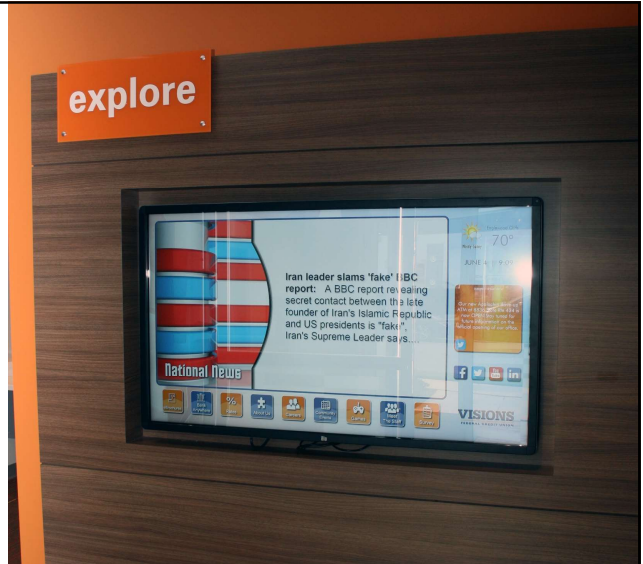


## Window Signage





## Education Walls



## Drive-ups







Drive-ups



# Existing or New



Before After



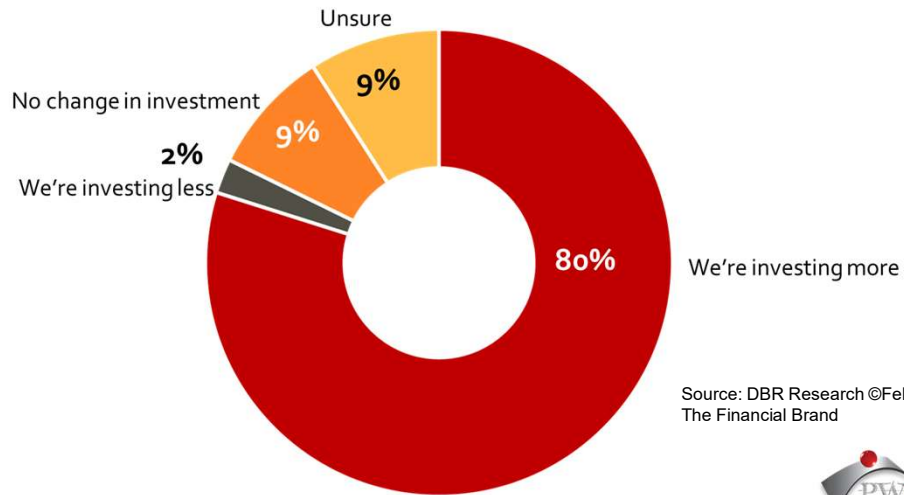
# Existing or New



Before After



# Credit Unions Are Investing In Member Experience



Source: DBR Research ©February 2017  
The Financial Brand



## RETAIL BRANCH OPTIMIZATION FINDINGS/RECOMMENDATIONS - SYNOPSIS

BRANCH (Alphabetical)	DUE DILIGENCE/FINANCIAL FINDINGS				RECOMMENDATIONS		
	Market	Competition	Financial/Activity	Building/Site	Work To Be Done/Cost Ranges	Priority Rating	Start Date
<b>Branch 1</b> (11 years/\$160M in deposits)							
<b>Branch 2</b> (26 years/\$17.5M in deposits)							
<b>Branch 3</b> (18 years/\$22.5M in deposits)							
<b>Branch 4</b> (16 years/\$40.5M in deposits)							





# Transformations



# Transformations



# Transformations

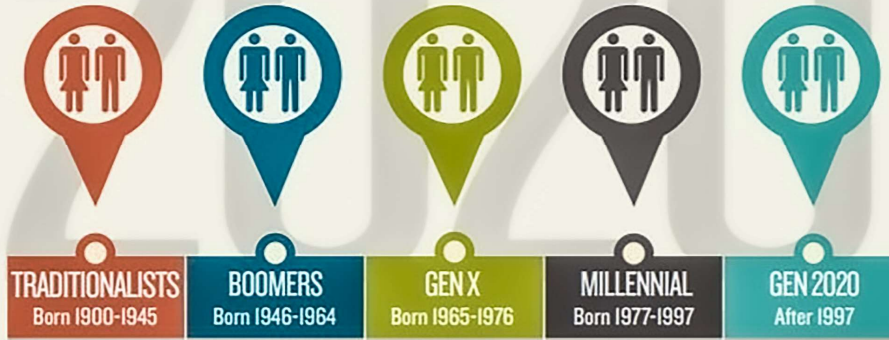


# Operation Space



# MULTIPLE GENERATIONS @ WORK

Five Generations Working Side by Side in 2020



# Well Buildings





## Well Buildings

- Smaller Offices/Work Area
- Open Areas – Engagement of Staff
- Natural Lighting
- Collaborative Areas





## Well Buildings (cont.)

- Centralized Workrooms/Conference Rooms
- Employee Amenities
  - ✓ Café
  - ✓ Private Areas
  - ✓ Health Areas
  - ✓ Parking



## When to Consider More Space

- No place for the next new hire
- Operations are under more than one roof
- Branches are being added or mergers/acquisitions path



# When to Consider More Space

- You have added 2 or more additions to existing space
- Inefficiencies exist within departments
- You are not retaining or are having trouble attracting employees



# Exhaust Where You Are - FIRST

- Renovate existing space and improve layout
- Renovate existing space plus building addition
- Build new on existing site



### OPTION 1 - Existing Location

**Synopsis**  
Option 1 consists of a partial renovation and partial tear down at the existing location. Based on initial walk through of the existing space, it would be nearly impossible to retain the existing building core as currently constructed. The location is close to the height of building, leaving very limited ceiling heights and some structural concerns make renovation of most of the existing buildings nearly impractical. Renovation of the existing buildings would not create better value of the current layout. Our recommendations are to demolish the existing buildings leaving only the existing building to be demolished. The space is

**Land or Building Acquisition**  
Demolition  
Site Work  
Renovation  
New Construction  
Cost to move employees and lease term

**Total Building Cost - Option 1**

**Benefit**  
It is initially the least expensive option.  
No expense at the location for Federal items and returns under one roof.  
You retain your presence in downtown.  
You own the property so there are no monthly rents.  
You are re-investing in downtown Lake County.  
New spaces will allow for maximum office utilization.

### OPTION 2 - LCW Purchase

**Synopsis**  
Option 2 consists of purchasing the existing building of Lakewood West. Based on a general walk through of this building, it is our opinion that this is a very good structure. While a detailed building review was not performed, the general walk through revealed what appeared to be a structurally sound and well-maintained building. Because of the structure of this building, it allows for very open floor plan space to begin immediately with a new site. We would propose to light the existing space except for the general core components. This building will provide you with 70,000 sq ft which a portion could be used to rent out to tenants.

**Land or Building Acquisition**  
Demolition  
Site Work  
Renovation  
New Construction  
Cost to move employees and lease term

**Total Building Cost - Option 2**

**Benefit**  
This building can be fit out without the monthly rents.  
You retain a "Corporate office" that can be used for other purposes.  
You retain your presence in downtown.  
You have the potential of rental income.  
You are re-investing in downtown Lake County.  
New spaces will allow for maximum office utilization.

### OPTION 3 - New Sites

**Synopsis**  
Option 3 consists of purchase of one of the potential sites in or around downtown Lakewood. Most available sites include existing buildings. This option accounts for the demolition of the existing buildings due to the cost impact to renovate the existing building. Due to the historical nature of the BOE site, a portion of that building would need to remain. Both sites would consist of new build to accommodate the 30 year plan or beyond.

**Land or Building Acquisition**  
Demolition  
Site Work  
Renovation  
New Construction  
Cost to move employees and lease term

**Total Building Cost - Option 3**

**Benefit**  
Completely customized building, to meet your needs, with quantity restrictions.  
Parking for employees will be located on site.  
You are re-investing in downtown Lakewood.  
You have the potential of rental income.  
You own your own property and can sell the building to help pay your utility and maintenance bills.  
New space will allow for maximum office utilization and a new building.

#### Discretionary Expense Analysis

Category	Option 1A	Option 1B	Option 2	Option 3
Construction	\$1,200,000	\$1,500,000	\$1,800,000	\$2,000,000
Equipment	\$50,000	\$50,000	\$50,000	\$50,000
IT	\$100,000	\$100,000	\$100,000	\$100,000
Professional Fees	\$200,000	\$200,000	\$200,000	\$200,000
Contingency	\$100,000	\$100,000	\$100,000	\$100,000
<b>Total</b>	<b>\$1,650,000</b>	<b>\$1,950,000</b>	<b>\$2,250,000</b>	<b>\$2,450,000</b>

Annual occupancy expenses considering three (3) building options. Three (3) building options are as follows:

- 244 of after construction
- 6,982 of (2) story building
- 100 w/ unfinished 2nd floor
- 100 w/ canopy w/ roof structured for 2nd floor addition

244 of after construction

- 6,982 of (2) story building
- 100 w/ unfinished 2nd floor
- 100 w/ canopy w/ roof structured for 2nd floor addition

244 of after construction

- 402 of renovation of existing 6,982 of (2) story building
- New 3,840 of (2) story rear addition
- New 250 of (2) rear drive up canopy
- New (2) story elevator

(2) Building (Net Asset Value) in the amount of \$46,000 (per W58) will be written-off in Year 1.

(3) Depreciable items totaling \$33,000 (per W58) will be written-off in Year 1.

(4) Construction costs will be depreciated over 39 years using the following projected amounts:

Option	Year 1	Year 2	Year 3
Option 1A	\$ 2,049,000	\$ 1,500,000	\$ 1,400,000
Option 1B	\$ 2,450,000	\$ 1,800,000	\$ 1,700,000
Option 2	\$ 2,250,000	\$ 1,650,000	\$ 1,550,000
Option 3	\$ 2,450,000	\$ 1,800,000	\$ 1,700,000

(5) Purchase of furniture and equipment will be depreciated over 7 years using the following projected amounts:

Option	Year 1	Year 2	Year 3
Option 1A	\$ 413,750	\$ 413,750	\$ 413,750
Option 1B	\$ 413,750	\$ 413,750	\$ 413,750
Option 2	\$ 413,750	\$ 413,750	\$ 413,750
Option 3	\$ 413,750	\$ 413,750	\$ 413,750

(6) Architectural & building engineering (ABE) costs are expensed in Year 1 using the following projected amounts:

Option	Year 1	Year 2	Year 3
Option 1A	\$ 100,000	\$ 100,000	\$ 100,000
Option 1B	\$ 100,000	\$ 100,000	\$ 100,000
Option 2	\$ 100,000	\$ 100,000	\$ 100,000
Option 3	\$ 100,000	\$ 100,000	\$ 100,000

(7) For purposes of this analysis, the annual expenses provided will be adjusted based upon square footage.



# Space Planning Survey

#### Space Requirements Survey

Department Function: \_\_\_\_\_  
Date: \_\_\_\_\_  
Compiled For: \_\_\_\_\_  
Title: \_\_\_\_\_  
Phone: \_\_\_\_\_

**EXISTING CONDITION**

- How many square feet of gross floor space are available in your department function currently? \_\_\_\_\_ sq. ft.
- In that space employees? "Yes"  "No"  "Yes" please indicate how it is divided or occupied.
- How many employees are housed within that space? Full-time staff: \_\_\_\_\_ Part-time staff: \_\_\_\_\_

**STAFF PROJECTIONS**

4. Department Outlook (Development)

**AMENITY WORK PLAN**

Under "Department Function" list, in order of importance, only those department functions with which have need for adjacency with regard to daily work flow and/or daily personal contact. Under "Adjacency Required", enter the highest required degree of adjacency for each department listed. Under "None", check whether the adjacency is "Transient" or "Non-Transient". Under "None", check whether the adjacency is necessary.

Department Function	Adjacency Required	Notes	Current
A. _____	<input type="checkbox"/>		<input type="checkbox"/>
B. _____	<input type="checkbox"/>		<input type="checkbox"/>
C. _____	<input type="checkbox"/>		<input type="checkbox"/>
D. _____	<input type="checkbox"/>		<input type="checkbox"/>
E. _____	<input type="checkbox"/>		<input type="checkbox"/>

Department Function	Existing	Year 2	Year 5	Year 10
Executive	1,200	1,500	1,800	2,100
Legal	800	1,000	1,200	1,400
Finance / IT	600	750	900	1,050
Operations / HR	400	500	600	700
Shared Space	200	250	300	350
Circulation	100	125	150	175

**Square Feet**

Existing Year 2 Year 5 Year 10

Executive Legal Finance / IT Operations / HR Shared Space Circulation

**# of Employees**

Existing Year 2 Year 5 Year 10

Executive Legal Finance / IT Operations / HR

# Workspace



# Workspace



# Workspace



# Workspace



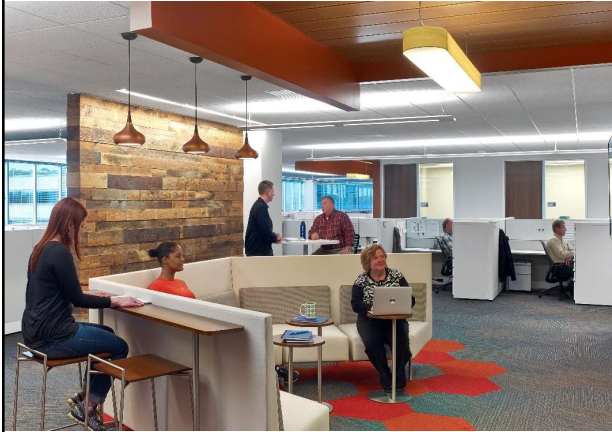
# Conference Rooms



# Conference Rooms



# Cafes



# Cafes



# Fitness



# Fitness





# Lounge



# Lounge



# Thank you for your time. Discussion/Questions

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