

A person is lying on a light-colored sofa, working on a laptop. In the foreground, on a white surface, there is a white coffee cup and a small white book. The background is a bright, modern interior with a large window and a green plant. A green curved line decorates the right side of the page.

WELCOME TO THE 'PHYGITAL' WORLD

Hybrid work takes on a new meaning as the physical and digital worlds collide

By Anna Burgess Yang

Hybrid has become a key buzzword in the post-pandemic world as banks along with other businesses grapple with the right blend of in-office and remote work. Combine that with talent shortages, and meeting the needs of customers and employees has proved challenging.

Some banks have taken hybrid work to the next level, combining a physical office experience with a

digital one. This “phygital” approach offers greater flexibility to customers and ensures that an experienced bank representative is available regardless of branch location.

Leona Leong is vice president of customer experience at Coconut Software, an appointment-scheduling app for financial institutions. She shared insights about the emergence of the phygital model and how forward-thinking banks are managing hybrid work.

Phygital work can address talent shortages

What does a phygital model look like for bank customers? They book an appointment online and go to a branch location. They're greeted by a frontline worker who takes them to a private office. From there, the customer is connected via video conferencing to a bank employee from another location.

This phygital experience solves a few problems. Some customers may not be comfortable connecting to a video conference from home. By coming into the branch, a frontline worker can provide assistance and those employees are specifically trained to provide a great customer experience.

Leong says that bank customers feel more comfortable using technology when they're at home after they've experienced the video conferencing at the branch: "They can actually ask for support and questions to a person at the branch, and then take that experience home." The frontline worker can also verify the customer's identity prior to the start of the appointment.

Banks can then schedule employees to "float" between video appointments at multiple branches — no need to have an experienced representative for all service types in a branch at all times. Leong noted that this allows banks to cover more with fewer people.

"The general consensus we've been hearing is that staff shortages have been quite stressful," she said. "Technology change is hard but at least it's addressing an immediate issue that's happening company-wide."

Banks adapt

In addition to the pre-scheduled appointments with the phygital model, banks are finding other ways to offer flexible options to their customers.

For example, if a customer walks into a branch, a representative could join a video call from another branch to help that customer. Customers can wait in a virtual line to meet with a bank employee that has the right skillset. Banks would be able to cover walk-in customers in search of a mortgage even if the right staffer wasn't onsite, Leong said. "They might have to wait in line for a bit, but that virtual person is just 'hopping around,'" she added.

Leong acknowledges that this is a big mindset change for many bankers. "Bankers who haven't used appointment scheduling before tend to prioritize the human that's in front of them."

As a best practice, Leong says that banks should add buffer time when scheduling appointments.

That allows overruns in case the appointment takes longer than expected. She says that over time, banks can monitor how long appointments take for different services and reduce either the length of the appointment or the buffer time.

Staff need to change their approach as well and Leong points out that appointment scheduling gives an employee the tools to adequately budget time to prep and wrap up. But it also requires employees to keep their calendars up-to-date, including their lunch breaks or doctor's appointments so they're not booking conflicting appointments.

Beyond phygital or video calls from home, some banks are offering "traveling advisor" roles. Customers can schedule appointments and meet at their company headquarters or a coffee shop. Merchant services, farmers or small business borrowers can all benefit from a traveling bank employee.

Banks can also stay connected with customers who may have moved away, such as for a job relocation or going to college. Before, that might have spelled the end of the banking relationship. Instead, banks can continue to offer services to these customers.

Leong said that banks have to push their customers for phone/video appointments and encourage them online or through their website. To do this, banks can point out that customers can come to whatever location they want and know that an employee will be available to discuss their needs.

Workplace design for the future

As some community banks look to lessen their physical footprint, phygital workspaces and hot-desking may become more prevalent. Phygital workspaces could also be an answer for banks that struggle to find qualified employees, whether that's due to ongoing labor market tightness or the difficulties which some rural communities have attracting (and retaining) talent.

According to Filene Research Institute, financial institutions will need to consider workspace design, including "single-user workspaces designed to be flexible and configurable to accommodate two to four people when needed."

It's a logistical issue that banks will need to figure out if they rotate employees between branches or book appointments with customers. Who sits where, and at what time? What desks or meeting rooms are available?

"Virtual branches are going to pop up," Leong predicts. "Customers can book an appointment with the right staff member but it also needs to match the [meeting] room availability ... That's the trend we're starting to see more and more." ♦