

# **Banks see dividends from high-tech investments**

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Meeting with your banker has taken on a whole new meaning at UMB Bank's Kirkwood, Mo. branch, where a robot and computer monitor are used to conduct some account services.

UMB is one of a handful of national banks that are investing in virtual banking and other technology as more people become comfortable using electronic signatures to sign documents and communicating via video conferencing.

At UMB's Kirkwood branch, and at branches in Kansas City and Denver, customers who want to transfer funds, obtain copies of checks, update their address and other simple transactions can bypass the teller line and use the bank's virtual banker adviser service.

Customers enter a private conference room with a camera, video screen, signature pad and printer. Bob Druse, executive customer care manager at UMB Bank at the bank's Kansas City headquarters, appears on the screen and talks with the customer about what forms they need to sign or answers questions about their account.

The technology is "like Skype, only better," Druse said.

As part of the virtual service, UMB uses LongPen remote robotic signature technology so customers can sign their name on the computer tablet. In Kansas City, a robot holds a pen that's visible to the customer on the monitor and it mimics the movements of the customer's hand,

reproducing the signature using ink on a paper document there.

The room's setting also is designed to make customers feel like the employee on the screen is in the room, said Shelly Nischbach, UMB Bank's senior vice president and eastern territory sales director. The walls in the virtual banking room and at the Kansas City office and Kirkwood are both painted the same shade of gray.

"You forget that he's on a monitor and not in the room," Nischbach said of Druse. Each transaction lasts about five to 10 minutes.

The 500 transactions UMB has conducted using virtual banking have resulted in a savings of nearly 150 hours for bank personnel. The bank has found it more efficient having a dedicated employee at the ready to handle simple tasks.

Coupled with other improvements at the three branches, it's helped the branches in the pilot program increase revenue by nearly 50 percent.

But the virtual banking service doesn't mean UMB Bank is getting rid of bank tellers within branches. It also hasn't meant cutting the number of employees at the branches, which have remained constant since the service began.

Since UMB Bank launched the virtual banking pilot, it's freed bank personnel to take more time with customers who have more complicated transactions, Nischbach said.

"We're always looking at customers' needs as their needs involve," she said. "The way that we go about banking, which used to be more transactional, we're moving more toward relationship-based banking."

The time the bank has saved using the virtual banking tools allowed

UMB to meet with and call an additional 1,000 customers, she said.

The bank's virtual technology has been in pilot mode since last year, but UMB now is looking at adding it to some of its other branches, including in St. Louis. UMB Bank currently has two employees in Kansas City who conduct bank transactions for customers using the virtual banking technology, but that will grow as the technology is added at more branches, Nischbach said.

Several other banks are also investing in virtual banking both inside and outside branches. In April, Bank of America launched its ATM with Teller Assist in Boston, a process that allows customers to press a button on the ATM and speak with a bank teller remotely via real-time video.

Though not yet available in the St. Louis area, the Charlotte, N.C.-based bank has expanded the service to 68 sites in six additional markets: Atlanta, Charlotte, Dallas, Houston, Jacksonville, New York and New Jersey.

At U.S. Bank, the largest bank in St. Louis, based on market share of deposits, the bank now offers more than 200 different loans that can be signed electronically. In mid-2012 for the first time, U.S. Bank began offering the capability to open a new account away from the branch, using e-signatures for new accounts.

At St. Louis University this year, U.S. Bank employees used a combination laptop/tablet device to sign up new customers on the campus outside of its branch network.

"People are very used to going into retailers and electronically signing," said Frankie Eichenberger, U.S. Bank's metro region manager in St. Louis. St. Louis was one of the first markets Minneapolis-based U.S. Bank tested the digitally signed loans, beginning in 2011.

"Our customer base has been very willing to sign this way," she said.

The high cost for technology upgrades is a barrier for some banks. ATMs equipped with video capabilities, for example, can cost \$100,000, versus about \$15,000 for a standard ATM.

Robert Roberson, CEO and president of Earth City-based Frontenac Bank, which has four local branches, said he's looked at adding high-tech features such as virtual banking and video ATMs but so far, hasn't added them.

The bank, which was established 15 years ago, was quick to adopt features such as mobile banking and remote deposits as soon as they became available. But the high cost is a deterrent.

Still, Roberson doesn't expect price to remain an obstacle for long.

"The costs will come down substantially as more banks use it," he said.

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