

The Truth About ITMs: “Look! I’m a live person!”

By Jim Olney,

Manager of Strategic Analysis, Alloya Corporate FCU

Pre-2020, you likely wouldn't. Post-2020, everyone does.

In today's world, it's common to meet virtually on a video conferencing platform with colleagues, clients, board members and grandparents alike. Odds are your credit union team has shared many remote interactions with members over the last 18 months, perhaps even for a mortgage closing.

Is this a temporary practice or here to stay? Only time will tell, but since most people have found their bearings in this virtual world, it's looking likely that video meetings will be added to the rolodex of options for member communication.

That is certainly the case for financial institutions like Consumers Credit Union in Kalamazoo, Mich., who replaced all their teller lines, drive thrus and ATMs with Interactive Teller Machines (ITMs) or, as Consumers calls them, TellerPlus+ stations. With over 100 TellerPlus+ stations up and running, Consumers is a front-runner in ITM usage.

Interactive Teller Machines offer a virtual version of the in-person banking experience.

ITMs are like ATMs, but with a tech-forward twist. They combine the interactive power of video conferencing technology with easy-to-use touch screens to enable credit union members to enjoy a virtual version of the in-person banking experience. Like Consumers, a growing number of Alloya's credit union members have implemented ITMs, particularly in the wake of the pandemic, although Consumers had already dipped its toes in the ITM waters well before COVID-19.

In 2016, they implemented two TellerPlus+ stations, which were affectionately named “Thing 1” and “Thing 2,” and were strategically placed inside the office (as opposed to the drive thru) to help coach members through their first teller interactions. While this certainly added a level of comfort for members, Consumers Credit Union's Vice President of Operations Lindsay Land offered up a seemingly counterintuitive piece of advice for other credit unions:

Start with the drive thru.

Advice on how to implement your ITM strategy: Start with the drive thru.

“When given the option, we felt members would gravitate toward what they were comfortable with,” Land remarked. “So, a traditional teller line wasn’t even an option when the first machines debuted inside.”

What members didn’t realize, however, was that the TellerPlus+ stations were not pre-programmed robotic machines. The stations are operated by a team of live representatives who facilitate member transactions through a video conference call, much like Zoom, Teams or FaceTime. At Consumers Credit Union, these employees are called TellerPlus+ team members. Today, most of their tellers work from the credit union’s corporate headquarters or from home, whereas in 2016, the team members operating the first machines were often stationed within the very same office as the machines.

“When a member would question it, the teller would come out from the back office and say, ‘Look! I’m a live person!’ The member would be awestruck,” Land stated.

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When the pandemic arrived and the credit union’s office lobbies closed, Consumers seized the opportunity to renovate their locations and overhaul their teller lines. Land reflected on the opportunity stating, “As an organization, we were trending in that direction – to create a consistent experience for members with TellerPlus+ stations at each office. The pandemic just expedited that transition process. Our members and staff needed safe, contactless ways to take care of their banking activities, so overhauling our offices with TellerPlus+ stations was the obvious solution.” Today, Consumers proudly operates 101 TellerPlus+ machines.

Leveraging technology to better serve members is not new to the financial services industry. While ATMs, home banking, mobile banking and check image capture are no longer considered “new” technology solutions, they all emerged with the same goal in mind: to make it faster and easier for people to access financial services remotely. To put it simply, ITMs are the next phase of this ongoing process. They converge the technology of video conference calls with the convenience and security of an ATM.

ITMs require a significant commitment of time and financial resources, but the upfront costs can be recouped over time.

Slowly but surely, more and more financial institutions have started to evaluate strategies to deploy ITMs in drive thrus, branches and remote kiosks. In March 2020, the consulting firm Bancography conducted a survey of 34 banks and 27 credit unions.

(Keep in mind, the survey data was collected in the early stages of the pandemic before “social distancing” was everyday vernacular.) They found that 25% of the respondents had implemented ITMs - revealing a relatively slow adoption of the technology.

Why? Well, some institutions cite cost as a discouraging factor. ITM implementation requires a significant commitment of time and financial resources. The cost of a machine alone can range from \$50,000 to \$80,000, excluding infrastructure costs. However, these upfront expenses can be recouped over time through membership loyalty, membership growth, staff reduction or staff restructuring.

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The same Bancography survey indicated that ITM-using institutions show an average ratio of one teller for every 2.4 machines. Almost every respondent using the technology cited an immediate ability to reduce overall staff levels, even net of any add-backs in the call center. Answers vary as to how many tellers can support an ITM, ranging from two to four ITMs per teller depending upon the traffic at each machine. Alternatively, you can repurpose your current staff or expand their job function.

When Consumers transitioned all their teller lines to TellerPlus+ stations during the pandemic, they prioritized the protection of their employees' jobs. "We were actually able to advance and promote many employees into new positions. Also, since employees can service our members via TellerPlus+ stations from any location, they can 'hop on' and 'hop off' as needed depending on member traffic."

This means the credit union can actually extend its business hours without needing to keep the office open - especially if the credit union starts with their drive thru for ITM implementation, as Land suggested. Not to mention, some credit unions have found they can reduce their branch hours since real-time, face-to-face transactions can continue to occur via the ITM long after the branch doors lock.

As an added benefit, member relationships can be further strengthened as they no longer need to visit a specific office to be serviced by their favorite teller. "Our members can pull up to any TellerPlus+ station from Coldwater to the Lakeshore and possibly see the same team member smiling back at them," said Land.

Do you have ITMs at your credit union and a story or strategy to share? We are all ears! The more feedback we can gather from our members, the better equipped we are to help other credit unions make the transition to ITMs.

For those who are thinking of making the switch to ITMs, we assure you that your hard work will reap great rewards. ITMs are complicated and typically involve different vendors for different aspects of the system. But the Alloya team is at the ready and happy to assist. Our TranzCapture software is just a small piece of the puzzle, but a valuable one that can simplify the image capture component. Please contact your Alloya representative or [**solutions@alloyacorp.org**](mailto:solutions@alloyacorp.org) if you are currently evaluating ITM strategies.

Jim Olney can be contacted at [**jim.olney@alloyacorp.org**](mailto:jim.olney@alloyacorp.org).