



New customer strategy, new branch concept

With a new business model and market presence, Banca Nazionale del Lavoro (BNL) aims to become a major player in the Italian market for private banking services. Self-service plays a key role in the bank's repositioning.

BNL's sweeping realignment represented a significant change of course for its 17,000 employees. But it was necessary following the acquisition of the bank, Italy's sixth largest, by the BNP Paribas Group (BNPP) in 2006. The European financial powerhouse paid €9 billion for the former state-owned bank under a plan to shift its focus from the public sector to private banking. "That meant changing our whole business model," says Alberto Planta, who heads up branch development and innovation at BNL.

The move to private banking with a focus on wealthy people and business customers also required changing the appearance and market presence of the bank, including its logo, branch design and IT equipment. The bank's image needed to convey transparency, flexibility and open communications, but also emphasize the bank's new innovative drive – a trademark of the BNP Group.

For Planta, this meant presenting BNL as a member of a European banking group without



BNL – BNP Paribas

- **Headquarters:** Rome, Italy
- **Employees:** more than 17,000
- **Branches:** currently 710 with 1,000 planned by 2012
- **ATMs:** more than 900

► www.bnl.it

denying its Italian roots. Above all, he wanted the new bank to use the experience of its French parent company in developing and implementing strategies to win and retain customers.

The top priority was to raise awareness of BNL among wealthy customers and win their loyalty long-term. To achieve this, the bank decided not only to completely revamp its entire nationwide network of 710 branches but also to expand it to 1,000 by 2012. In the process, it aimed to implement special branch concepts that would cater to the various requirements of different customer groups.

BNL and its new owner agreed that the branch should continue to play a key role in establishing and maintaining customer relationships in line with customer requests for personal assistance with their investments and other banking tasks. But to expand the scope of its services to both retail and private customer, BNL decided to go one



Alberto Planta heads up branch development and innovation at BNL.

Left side: Pierluigi Carlà, Account Manager of Wincor Nixdorf Italy and Alberto Planta.

step further and add channels such as self-service terminals and Internet banking.

Network-wide multifunctional ATMs

In the future, BNL customers will be able to perform standard banking transactions and even purchase products at self-service systems. Not only does self-service technology free up employees to become relationship managers, giving them greater freedom for individual consultations; it also helps customers avoid queues at teller counters and bank outside of business hours.

Internet stations, which are now available in every redesigned branch, provide customers with information on the bank's Web services, explaining, for instance, why tokens

Additionally, the bank plans to upgrade 100 machines to accept deposits and is currently studying whether its existing ProCash 2150 systems can be expanded to include a module for check deposit and processing.

The entire system conversion is scheduled for completion by 2012. Planta reckons with an average lifespan of two years for the multifunctional ATMs and system availability of approximately 98 percent. Deposit availability is currently between 97.5 percent and 98.5 percent, based on an installed base of 480 systems.

So far, BNL's expectations of its branch restructuring have been more than fulfilled. "Our message to customers has been heard loud and clear," Planta asserts. The number of

vice systems for deposits peaked, in most of the new branches, at 75 percent mark – an exceptional figure for Italy, where the top banks have only managed about 37 percent to date. Average use of BNL ATMs across all branches is 30 percent, with the new branches reaching a commendable 40 percent – and growing. Self-service cash dispensing already has a usage rate of about 90 percent and is expected to improve even further when bank cards are issued and the amount of cash customers can withdraw daily is increased to €2,000.

Additional enhancements and value-added services will make self-service even more attractive. For instance, terminals will offer audio functions that allow the blind and visually disabled to withdraw cash without help from others. Other innovative functions include the dispensing of individual checks, payment of utility bills, and credit card services with PIN changes and information.

Also planned is a system that will allow BNL to show third-party advertising on its ATMs. According to Planta, the bank is poised to be the first in Italy to use ATMs as a channel for advertising non-bank products and supporting marketing campaigns. In this context, he believes a logical next step would be to develop a third tray that can be used to dispense receipts and documents related to marketing campaigns.

A pilot project that advertises movies from Warner Bros. is currently running on 30 terminals, but by mid-year this function will be available across the entire network, from Padua to Palermo. The individual communication departments decide which retailers or businesses may participate in the ATM advertising program.

Further step ahead with cash processes management

Next year, BNL is considering introducing cash recycling systems. The technology would be a worthwhile addition at sites where a cash deposit level of 50 percent or more has already been achieved, according to Planta. In this context, the bank is reviewing its overall cash management activities.

Together with Wincor Nixdorf, BNL has begun a project to restructure all cash processes associated with its multifunction terminals. The goal is to optimize the cash holdings in the machines, link maintenance and remote analysis more closely together, and monitor and control all cash-in-transit activities. ■



are necessary to secure business transactions, or how consumers can make the most of their debit and credit cards.

At the heart of BNL's strategic repositioning is its use of multifunctional ATMs. Customers can use them to deposit or withdraw cash, pay in checks and transfer money. In addition, the machines provide information on account balances, standing orders, credit card balances and outstanding credit card payments. And that's not all: They can also be used to load pre-paid cards and telephone cards or to make donations.

In February 2008, BNL decided to upgrade its entire fleet of ATMs. Prior to the upgrade, the bank conducted extensive testing of ATMs from a variety of manufacturers. By the end of this year, BNL aims to replace 600 ATMs or about 65 percent of its total ATM network.

deposit and current accounts in the private banking area rose significantly – up 17,000 in the first quarter of 2009 – and the loan business grew by €5.5 billion, or 9.6 percent. Business loans were up 5.1 percent and earnings before taxes 7.9 percent. And for the first time, the bank's cost-income ratio sank under the 60 percent mark to reach its current 58.2 percent.

Top marks for self-service deposits

Lower process costs, more time for consulting and fewer resources required to provide support – that's how BNL judges the achievements of its new branch strategy so far.

Planta is more than satisfied with the migration of services from the teller windows to the self-service systems. Within just a few weeks, use of the newly-introduced self-ser-