

DIEBOLD PERSPECTIVE

Choose an outsourcing provider wisely

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While many industries are seeking innovative ways to successfully conduct business in today's volatile economy, the financial services industry is using fresh approaches to technology to weather the downturn. Financial institutions around the world are turning to outsourcing to enable the adoption of technologies that deliver services customers want without requiring a large capital commitment. The implementation of such functionalities as deposit automation, bill payment, mobile banking and self-service marketing is helping drive differentiation from their competitors.

By current estimates, outsourcing can help financial institutions save 15-20% of the cost of managing their ATM channels on their own. Needless to say, outsourcing is proving to deliver a solid return on investment by providing hardware, software, services and security, enabling financial institutions to offer top-quality service without the complexities of managing a multifaceted ATM network.

Choosing a provider

During the selection process, most issues can be satisfied by conducting a thorough due diligence and asking the right questions. In addition to requiring comprehensive technical expertise and project management proficiency, there are levels of trust that must be met and further developed. In essence, an outsourcing provider must be able to deliver a cost-effective, strategic alternative through a consultative approach and become a partner that sits on the same side of the table as its customers.

The ATM channel is increasingly complex as the list of services that can be outsourced continually grows. With no one-size-fits-all solution, financial institutions must be able to rely on a professional provider to recommend the level of service that best meets their needs. A true outsourcing arrangement is a partnership in which both parties

work together to define the basic needs and develop a long-range strategic plan. This enables the financial institution to control its level of outsourcing and choose whether to contract out the management of its entire portfolio or select services to build upon over time. The outsourcing provider should help guide them in developing unique solutions that ultimately drive innovation and improve efficiencies.

Experience

To effectively guide a financial institution in making decisions, a provider must be able to show experience over the long term. Selecting a provider that is new to the marketplace is risky, as technology and processes evolve rapidly. A trustworthy outsourcing provider will have proven experience with all phases of the financial industry's technological advancements.

Customisation

In addition to the willingness to customise a solution for a financial institution, an outsourcing provider must have the expertise to do so in the presence of any infrastructure. There are clear economic benefits to using an organisation's existing equipment and systems as a foundation on which to build. A proven outsourcing provider should have the case studies to demonstrate its ability to do so in order to offer the greatest return on investment.

Breadth of knowledge

To complement its level of experience, an outsourcing provider should have breadth of knowledge across a range of disciplines. To provide a financial institution with a comprehensive solution, a well-rounded outsourcing agreement will include hardware, software and network management.

Seek out a partner with knowledge, experience and a willingness to collaborate

Governing system

In an effective governing process, the outsourcing provider uses an organised system to interact with the financial institution and its vendors. Without such a system in place, a financial institution runs the risk of its outsourcing provider issuing uninformed business directives or allowing vendors to take actions that conflict with the strategy set forth in the outsourcing solution. A governing system simply keeps all parties moving in the same direction at a comfortable pace to help achieve the desired objectives quickly and cost-effectively.

Outsourcing enables efficiencies across the board

In any economy, a full-service outsourcing arrangement offering a single point-of-contact is the only real solution for avoiding large capital

outlays. In addition to cost savings, outsourcing also promotes cost certainty (migrating ATM network costs from a capital expense to an operational expense) and service consistency, allowing financial institutions to concentrate resources on their most important competency – customer service.

By choosing Diebold as their turnkey outsourcing provider, financial institutions can implement the industry's most reliable hardware and software, backed by world-class service that includes infrastructure upgrades, regulatory compliance and enhanced functionality. Diebold helps financial institutions deliver the advanced features their customers want, while realising the operational efficiencies that drive the bottom line. ■

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