

Banking Automation **BULLETIN**



Regulatory frameworks impact TAU market

Branch transformation – the strategic imperative!

Taking Teller Cash Recycling to the next level

Teller automation as a strategic enabler

EPC makes progress but SEPA needs impetus

Country profile: Spain



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The TAU bug

It has been a difficult year for suppliers of branch automation hardware and software, as evidenced by recent financial results from all the major suppliers. Most of the talk has been about ATMs, with relatively little said about teller assist units (TAUs). This is interesting because there is a

strong argument that says the global financial crisis has increased the need for technologies (such as TAUs) that reduce branch operating costs. For many banks the return on investment on TAUs may well be higher than on ATMs.

The practical reality is that banks need to make an up-front investment, not just in equipment, but also in IT, training and other areas, before they can reap the benefits of TAUs. Banks are often not familiar with the technology, and in contrast to customer-facing ATMs, the imperative to install teller-facing units is not obvious. TAU projects are therefore often not at the top of investment priority lists.

Despite these challenges, it appears that certain countries, such as Brazil and Turkey, have recently caught the TAU bug and are deploying large numbers of machines. Once a few banks install terminals, this seems to put pressure on other banks to follow suit.

Other markets are proving more immune. One such example is China – a surprise, not least because China, more than any other country, has driven the global demand for ATMs in recent years. The potential for TAU deployment in the country is huge, but for various country-specific reasons, most notably regulatory (see lead article), deployment has been slow to take off. There is no doubt that it will do so – exactly when is less clear.

As well as the operational efficiencies that teller automation is known to generate, there is a second, more anecdotal, reason to suggest that TAUs continue to have a bright future. There are large numbers of banks in numerous countries conducting pilots with TAUs. The results of these pilots, and the response of staff in branches running these pilots, are almost always extremely positive.

As bank finances improve, and feedback from pilots filters through to senior management, an increasing number of countries will catch the TAU bug.

Dominic Hirsch, Editor

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