

NCR PERSPECTIVE

Managing the ATM channel – a better way

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In a multi-channel environment, the ATM channel has an important role to play in terms of customer interaction and 'brand definition'. It is a channel that provides new opportunities by way of service provision whilst facing more complex challenges in terms of compliance and fraud prevention. Against a background of increased consumer expectations, managing this channel well is critical to success.

Increasingly, banks are looking to outside assistance in the day-to-day management and operation of their self-service network. This frees up capital and human resources, allowing banks to focus on their core competencies.

Banks face a number of key challenges in the ATM channel, and the right managed services provider can help banks address these problems and gain a competitive advantage. These challenges include:

Compliance and security

Consumer trust is essential to the continued operation of the ATM channel, so financial institutions therefore need to address all possible vulnerabilities. ATM security infrastructure, processes and controls must meet PCI DSS best practice requirements. The process of achieving compliance can be daunting for any ATM deployer, but PCI DSS compliance is far more efficient when a deployer works with a partner that has PCI-approved solutions.

Part of the PCI DSS standard is the requirement to retain a vulnerability management programme – a defence against malware threats of any type. ATM networks are increasingly under threat from such attacks. The traditional response has been reactive, for example via the use of patches. However, newer technologies provide the opportunity to develop a more proactive approach, which enables zero-day protection.

Customer expectations

Maximising service availability is a key element of improving customer satisfaction. Customers expect

to conduct the transactions they want, where and when they want.

Banks may be happy to claim they have ATM availability of 98%, but this does not tell the whole story. A machine may be available for certain services but may still not provide good customer service. For example, cards may not be read properly in the first instance or the terminal may not be able to print a receipt.

Investment in new technologies

The latest innovative technologies enable banks to break through 'barriers' in areas such as availability and security, providing predictive fault resolution and proactive security management. However, the costs of introducing such technologies would be prohibitive for an individual institution – which further enhances the case for outsourcing this function.

Management

Having a single vendor means fewer resources are needed to manage third party relationships, and that there is a single point of accountability.

NCR's consultants have concluded that where multiple service vendors are used, the additional layer of support required in governance mechanisms, management tools and internal processes represents 20-25% of the total cost of ownership.

Multi-vendor support

Where a bank's network includes a 'mix' of ATMs from different hardware providers as well as multi-vendor software, it is essential that engineers are trained to service all these ATMs to an equal standard.

Multi-channel environment

An understanding of and ability to support all self-service channels is important in a multi-channel environment. Again, rather than multiple agreements with several servicing agents, it is better to have a single point of contact at branch level. Working

with a partner that has expertise across all channels better enables a bank to develop services to meet consumers' changing needs in the branch and elsewhere.

How does NCR match up?

The NCR Managed Services offering is differentiated by a predictive and proactive strategy.

It is important for a deployer to identify any vulnerabilities within its ATM channel. NCR ATM PCI DSS Consulting Services works with banks to identify any gaps in their security infrastructure, processes and controls, and to prepare for a PCI DSS audit. The service examines the situation, enables the bank to achieve compliance and then ensures it remains compliant.

NCR's hardware and software solutions are designed to meet PCI compliance. The company's total security approach includes a PCI PTS approved encrypting PIN pad, and NCR was the industry's first ATM vendor to have PA-DSS validated software.

When it comes to software security, the majority of solutions currently available are reactive in nature, i.e. reacting to known risks. NCR's advanced approach is different, providing defence against known and future risks. Tailored to the specific requirements of the ATM and self-service environment, Solidcore Suite for APTRA™ provides proactive defence against any malware, including insider attacks, by allowing only authorised code to run. In this way the solution addresses the root cause of the threat rather than dealing with the symptoms.

As well as delivering zero-day protection, there is also no need to rush the deployment of patches without adequate testing. NCR has provided a 'buffer against vulnerability', enabling patches to be introduced in a measured and efficient way.

In terms of availability, NCR leverages a combination of remote problem resolution, hardware maintenance and data analysis to ensure that ATMs are available for essential transactions. The

NCR approach is unique in its ability to resolve issues before they occur; NCR Predictive Services anticipates the failure of a component by monitoring device warnings. As well as anticipating issues, NCR proactively schedules fixes that minimise the number and duration of service interruptions.

NCR has proven multi-vendor expertise in both hardware and software, servicing more than 2.5 million non-NCR units from over 200 manufacturers.

NCR Managed Services provides cross-channel support for not only the ATM but also new channels such as mobile, internet, e-Marketing, hosted services, and SaaS offers. The company's breadth of expertise and consultative services provide economies of scale in delivering one point of contact. They also mean NCR can enable banks to change the way their branches operate and improve the service offering. Working together with banks to ensure channel integration, NCR can help transform consumers' experiences.

NCR provides Managed Services across a range of industries globally and has been ranked by the International Association of Outsourcing Professionals (IAOP) as number eight in the 2011 *Global Outsourcing 100*® rankings, with NCR being the only self-service provider in the top 10.

Bob Tramontano, Vice President of Financial Industry Marketing at NCR, explained the ranking and continued success in this area. He said, "Our investment in innovative technology gives our customers a competitive edge in ensuring consumer trust and delivering the transactions they want, where and when they want them. We deliver services for 19 of the top 20 banks and it is NCR's use of predictive and proactive technologies that differentiates us from other managed service providers in this market. What's more, our consultancy services deliver innovative cross-channel solutions that meet the business needs of our customers and the changing needs and high levels of expectations of consumers." ■

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