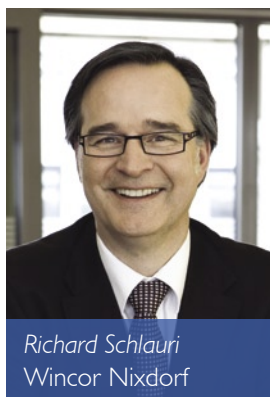


## WINCOR NIXDORF PERSPECTIVE

# Optimising business processes through outsourcing

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Outsourcing is a strategic sourcing option of increased importance to banks around the world. A growing number of financial institutions see opportunities to gain a competitive edge by outsourcing non-core IT infrastructure and processes to focus on their core banking business. Wincor Nixdorf has established itself as a highly competent and trusted partner in the market for outsourcing services worldwide.

What do banks demand from an outsourcing partnership? They seek a long-term arrangement that directly supports their business. They want modules that can be assembled like Lego blocks. They demand a high level of standardisation but at the same time, enough flexibility to tailor solutions to meet their individual requirements. One example is 'ATM as a service' that turns fixed costs into variable costs. In short, customers want to accelerate key business processes and free up resources to focus on core banking activities.

## ATM outsourcing offers a host of possibilities

An important first step in an outsourcing partnership is to create trust and show the benefits of outsourcing services. The process begins with the choice of hardware and software products, the installation of these products and their implementation in the IT infrastructure. It then extends to maintenance and repair right up to the complete take-over of operating a self-service network and the efficient processing of cash and payments.

The entire cash logistics chain, including the scheduled provision of cash and the optimisation of cash inventory, is a service that can be easily outsourced. By outsourcing cash logistics, such as the management of just-in-time replenishment and removal of cash, organisations can significantly lower their high manual processing costs of cash

handling. In Europe alone, cash handling costs amount to €50 billion annually and worldwide, as much as €300 billion.

Various service models are available, enabling either a gradual or complete transfer of responsibilities. One example of a step-by-step approach is to locate an employee of the service provider in the customer's call centre to manage the operation of an ATM network from there. In contrast, a holistic approach, for example, is to transfer complete responsibility, including control of all service processes and responsible staff, to an outsourcing partner.

## Huge potential in channel outsourcing

In pursuit of new markets, Wincor Nixdorf sees plenty of international opportunities – and for good reason. Banks in numerous European countries are currently studying the possibility of integrating their ATMs into a common network and outsourcing the entire operation. Experts at Pierre Audoin Consultants (PAC) project a €5.5 billion outsourcing market for channel-related IT services in self-service systems, branches and call centres as well as internet and mobile device-based services.

A paradigm change is currently underway. If, in the past, outsourcing was hyped as the best way to solve problems, today it is all about making strategic make-or-buy decisions and ensuring compliance of governance models. A model based on 'one size fits all' simply doesn't work today.

So it is all the more important to underscore the value of outsourcing. In addition to significant savings for banks, outsourcing offers other substantial benefits, such as fast market entry with banking products in a variety of distribution channels for end-customers, and the latest generation of technology that guarantees high system availability. These are undisputed benefits that a growing number of banks now recognise. Multi-channel outsourcing is a market with huge potential.

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services**

**Wincor Nixdorf's modular portfolio**

Wincor Nixdorf is a key player in this market. We have further developed our services portfolio for banks and retail companies, as we move beyond being only a manufacturer to a strategic business partner. We have a unique selling proposition in both industries, and enjoy a leading market position with a high level of customer knowledge and intimacy. Customers trust our brand and ability to execute, which is a prerequisite for any outsourcing engagement.

In a nutshell, Wincor Nixdorf helps banks and retail enterprises improve their IT flexibility and efficiency and cope more successfully with technology's constant pace of change. We have developed a modular outsourcing portfolio on the basis of our expertise in the banking and retail sectors. Available services range from information communications technology (ICT) outsourcing for banks and retailing enterprises to the special field of self-service outsourcing for banks. The latter includes everything from assuming responsibility for technical operations to cash and payment services. As a feature of our ICT outsourcing services, we take over and operate customers' peripherals, telecommunication systems, networks, servers and applications.

Wincor Nixdorf has excellent experience in outsourcing at the international level. Our portfolio in this area offers customers long-term benefits, including higher system availability thanks to

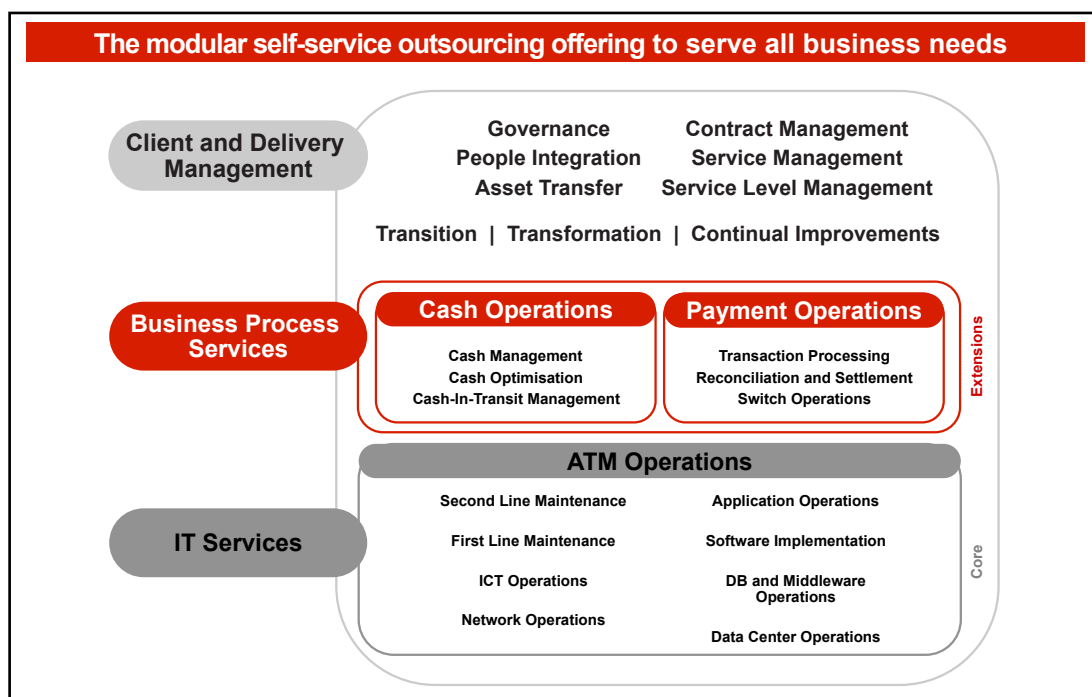
optimised operations management and technical improvements, as well as cost savings through more efficient infrastructures. Other advantages for our outsourcing customers include planning security and 'future-proofness' based on unambiguous, transparent cost structures.

The added value that we deliver in our customer projects speaks for itself. For example, we were able to reduce downtime in a large ATM network by two thirds. In other projects, we were able to reduce costs for cash management in bank branches and ATMs, and achieve similar savings by reducing operating costs for the technical operation of an ATM network.

We aim to sustainably grow our outsourcing business, which already contributes significantly to our group revenues. Today, we manage more than 70,000 systems worldwide. The key to success, we believe, is to ensure a high level of delivery in all areas of our services value chain – from product related services to managed services and outsourcing. And, perhaps even more importantly, customers can lower their operating costs by as much as 25% by outsourcing their IT operations to us.

The most successful service provider is the one that has the best customer access, fully understands the challenges of its customers and is able to offer the most competitive solutions. Working with such a provider will in essence ensure that it is the customers that become the winners. ■

**Wincor Nixdorf helps banks and retail enterprises cope more successfully with technology's constant pace of change**



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