FIS PERSPECTIVE

ATM architectures and organisational efficiency

By Colin Fraser, Senior Product Manager ATM Test Solutions, FIS

It is no secret that there is a lot of change on the way in the payments arena. Challenger banks are becoming mainstream, contactless cards are commonplace and mobile payments are growing fast. Not to mention blockchain, APIs and immediate payments. For decades, the trusted Automated Teller Machine has maintained a steady presence. Now, 50 years after their introduction, the way ATMs are deployed and managed could be about to change.

Industry survey indicates future direction

Payment Redesign, a Dutch consultancy firm, partnered with FIS for a 2017 report that dives deeper into the future of the ATM. The report is based on a survey and interviews with many industry veterans, aiming to understand the challenges facing the next generation of ATM products. It describes an evolutionary approach for introducing a new architecture to address those challenges.

The document identifies several common themes: Security threats are becoming more complex; the lack of interoperability and standardisation is increasing costs; ATM changes are often slow to deploy, resulting in poor time-to-market; and the Windows upgrade cycle is adding costs with minimal returns.

By applying best practices from other sectors, the report challenges vendors to develop real solutions for next generation ATMs. Key conclusions include:

- Adopting technology from other sectors: apps, APIs and cloud connectivity

- Standardising a new device control API using the Internet-of-Things, which is system-agnostic

- Adopting cost-effective commodity hardware such as tablets and mobile devices.

While these proposals will solve key issues in the long term, they will take a few years to become mainstream. So what can leaders do to ensure they deliver quality products and experiences today?

Improving efficiency today

Organisations can already ensure they are working efficiently to deliver a profitable service for their business. With increased competition among suppliers driving down the initial costs, operational costs have become the most significant consideration over the life of an ATM. Regardless of the direction chosen, minimising these costs are key.

One approach is to use a partner to take ownership of the ATM network so that in-house experts are not required. Partners can offer full-service, turnkey offerings covering hardware, software, processing and servicing. A key benefit is that it simplifies vendor management and smooths out spending patterns.

For innovative organisations using their ATM channel to differentiate themselves from the competition, time-to-market can be a challenge. Rolling out a new project, for example, implies a significant Quality Assurance effort to ensure an efficient network and a solid brand image. Organisations need to look at ways of streamlining this often underestimated test phase.

Many technical teams today are adopting a DevOps approach as a solution. DevOps relies on having tools that support automation, but common tools, used generally for web or mobile projects, are simply not adapted to the unique ATM environment. There are specialist tools available, such as FIS' ATM TestLab, which can be seamlessly integrated into a continuous integration build environment alongside other tools. These are valuable assets to an enterprise scale test environment, allowing end-to-end automated integration tests to be kicked off as part of a build pipeline. This results in shorter test cycles and greater confidence during the project roll-out and beyond.

Regardless of whether a company is looking at the benefits of a future-proof investment strategy or just trying to minimise costs over the near term, at FIS, we believe it's most important to identify key drivers and communicate these to partners. By aligning priorities, everyone knows what to achieve and can identify the most effective way to get there. ■

Colin Fraser
FIS

The way ATMs are deployed and managed could be about to change

FIS