

**CR2 PERSPECTIVE**

# Because time is money:

## *The importance of efficiency in ATM management*

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Since its launch over 40 years ago when it was heralded as the height of modern banking technology, the ATM has established itself as a key component of a bank's customer relationship strategy. This device, which globally processes over 70% of all banking transactions, is now a major part of the complex and constantly changing modern banking technology ecosphere. With recent announcements of major industry changes, such as the Wincor Nixdorf / Diebold merger and NCR's much publicised strategic partnership with Blackstone, this is a time during which every element of the ATM landscape is transforming. From mergers, acquisitions and partnerships, to the entry of new hardware vendors into the market and the evolution of the technology which runs the ATM, this period of change and disruption has banks concerned over how to deal with all the complexities that the ATM revolution has engendered.

### **With great complexity, comes great responsibility**

Over recent years, the number of ATM terminals globally has risen steadily. Despite the ATM being seen as a cornerstone of banking, especially in the fast-growing markets, the machines are expensive, and cost justifications need to go beyond merely migrating basic transactions away from the branch. In order to address this, manufacturers have been ensuring the technology within the ATM is constantly evolving and improving. Having developed markedly since its humble days as a cash withdrawal device, the ATM now can be used for so much more, from offering advanced and customised user experiences to directly presenting actionable products and services to the right customer at the right time. By offering unique services, such as Fast Loans for customers temporarily short on cash, banks can take advantage of the selling opportunities these machines generate.

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In addition, the advanced personalisation and customisation of this channel coupled with services such as bill payment, money vouchers, machine-to-machine transfers, mobile top-ups, and prepaid card sales, combine to make it a powerful channel in not only how it serves the customer, but also in how it can target them.

Integrated solutions, such as CR2's BankWorld, can help banks provide a powerful and personalised service which is as unique as their customers, without the pressures and complexity of dealing with multiple tools and systems. For us here at CR2, giving banks the power to not only innovate, but to realise the true revenue generating possibilities of the ATM is key. We have worked with clients such as Bank al Etihad to increase sales by delivering dynamic product offerings to both existing and not-on-us customers at the ATM. By doing this, Bank Al Etihad has the potential to sell to those who do not bank with them, which in today's ever-competitive banking market is a real advantage.

With great innovations has also come great complexity. In order to be efficient, banks need to be able to track what is happening at their machines at all times, regardless of whether their fleets are geographically dispersed, comprise units from multiple hardware vendors or provide cutting-edge technical products and experiences. In order to do this successfully, banks need an integrated ATM solution. Having information at hand, such as cash levels, consumables and device faults, allows banks to reduce time taken by staff to address these issues, as they no longer have to visit individual physical machines to retrieve the required information. A solution such as BankWorld ATM thus saves time and resources, and significantly increases efficiency, providing all the information in an easily accessible manner.

### **Empowerment is power**

Beyond the essentials of ATM maintenance and monitoring, banks also need to ensure that when they need to work on their ATM offering, they can do so in-house. They need their own staff to

have the ability to increase customer-product ratio, design campaigns, launch new products and tailor each channel to individual customers. An in-house facility presents a major advantage to banks over those that have to look externally for time-consuming and often expensive alternatives.

With today's banking customers becoming increasingly savvy, having a personalised experience across all self-service channels is more important than ever. In many cases, the advanced customisation, screen design and deployment of new and actionable products and services to the ATM can be time-consuming and costly. BankWorld ATM Studio allows banks to simply take control over the branding of their ATMs by easily designing and implementing screens in-house. It enables banks to introduce a new service in a matter of hours, giving them the opportunity to be first to market. With such a solution, banks can both create and deploy personalised services and branding straight to the ATM in a way which is both simple and effective.

#### **Safety first**

Today's modern banking markets are fraught with regulatory changes, technology updates and other demands which can be as diverse as they are complex. PA-DSS compliance, the ATM migration from Windows XP to Windows 7, QR codes and biometrics all combine to create an environment of constant change which can be confusing and costly. By utilising an integrated solution which is hardware agnostic, banks can ensure that they are best placed to introduce any upgrades and comply with any regulatory changes. By giving banks an entire picture of the ATM channel – and in fact their entire self-service network – a solution such as BankWorld can significantly reduce the headache associated with keeping up to date.

CR2 has addressed regulatory concerns while working with Africa's Standard Bank, which has been trying to find an efficient way to serve its customers while also meeting the various local regulatory conditions of each country in which it has a presence. With BankWorld ATM, Standard Bank has been able to differentiate its ATM offering across a network of over 800 ATMs in 11 African countries. The solution has enabled the bank to reduce its operational costs, increase ATM uptime, launch new products quickly and simply, comply with all industry standard regulations, and effectively manage and expand its international operations.

#### **Think efficient, think omnichannel**

When we talk about optimum efficiency in ATM management, we can speak at length about all of the factors outlined above – centralising the monitoring and control of the ATM fleet, empowering staff to design and deploy screens, sending branding and products straight to the ATM and simplifying regulatory and security upgrades by having an integrated solution such as BankWorld ATM – but there is still a missing piece of the puzzle that lies outside the ATM itself. In order to achieve true efficiency on any or all of the self-service channels, banks must think omnichannel.

By utilising an omnichannel strategy, banks will have a unique 360-degree view of the relationship they have with each of their customers. This information is powerful, allowing banks to segment and tailor offerings across all channels. An omnichannel solution such as BankWorld goes much further than designing screens and creating consistent experiences for customers; it provides the segmentation information which is the lifeblood of this process. By managing all self-service channels from a single point, banks will naturally improve efficiency in not only ATM network management, but their entire channel network.

We have worked extensively with one of Africa's fastest growing banks, Diamond Bank in Nigeria, to address its difficulty managing the multitude of software and providers used across its various channels. There have been not only cost implications, but also complexity issues in trying to migrate basic transactions from the branch to self-service. As the bank expanded its operations, the benefits of operating an omnichannel strategy became clear. By adopting a flexible yet robust integrated platform, Diamond Bank saw that in 2013 alone, its footprint grew by 10% and its customer base by 33%. The bank also noted a significant increase in efficiency by empowering its staff to manage and drive the self-service channels independently as well as deploy new services cross-channel. It rapidly expanded its network from 15 ATMs to over 1,000 in a very short period of time.

For banks, treading a fine line between offering customers the best possible experience at the ATM and keeping the management of this channel as simple as possible may seem daunting, but having the right solution at hand really can mean the difference between efficiency and complexity. ■

*To find out more about CR2's BankWorld, visit our website at [www.cr2.com](http://www.cr2.com) or contact us at [info@cr2.com](mailto:info@cr2.com)*

**Using an integrated solution, banks can ensure that they are best placed to introduce upgrades and comply with new regulations**

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