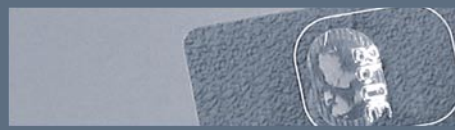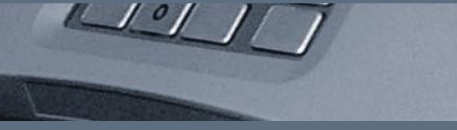# Banking Automation **BULLETIN**

ATM software
– the emerging force

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– a match made in heaven?

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Banks, branches… and books!

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Denmark**

Banking Automation

B U L L E T I N

Has ATM software become more strategic than hardware?

Historically, RBR's ATM research tended to focus more on hardware than software. This largely reflected how deployers viewed the market – they were purchasing physical equipment, while software was more of an afterthought, something that came bundled with the latest machines they were purchasing. Suppliers, too, tended to focus on hardware, because they were often unable to sell software separately, and ongoing software revenues were modest.

Today, the situation could not be more different, especially in more developed markets. Software has become a strategic purchase, offering opportunities to enhance customer service, grow revenues, increase security and reduce costs. The emergence of multivendor software also changed the dynamic. It allowed banks to offer customers a consistent user experience, but perhaps more importantly it meant that applications only needed to be developed once and yet could be rolled out across a mixed hardware estate. For many banks, especially larger institutions, this is critical, as they have either by design (dual sourcing) or accident (following M&A) ended up with hardware from two or more suppliers.

Even for deployers operating single-vendor fleets, there are considerable benefits to operating the latest ATM software – for example, to offer a seamless omnichannel experience or easily roll out new features such as contactless withdrawals.

Despite the benefits, there are still organisations that have not yet embraced advanced ATM software. There are various reasons for this, most notably smaller deployers may not have the skills in-house to manage a software migration project and/or find it difficult to justify the costs involved. Over time most of these deployers are expected to move – the pressure to do so will increase, while growth in managed services means smaller banks can outsource software projects to organisations with the requisite skills.

This month's lead article (page 2) discusses the findings from RBR's latest ATM software research, which has been expanded to cover monitoring as well as application software. It is surprising how many ATM deployers do no monitoring at all, or carry out only basic, usually server-based, monitoring. As with application software, monitoring software can significantly impact customer service, revenues, security and costs. It is also more straightforward to implement, because it is not directly customer facing, so the deployment risks are lower.

Next time you make a cash withdrawal, don't just look at the hardware, but give some thought to the software – it is more than likely that the ATM owner has.

Dominic Hirsch, Editor

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Banking Automation **BULLETIN**

Regular topics include:
- ATM hardware and software
- Branch transformation
- Biometrics
- Cash usage and handling
- Contactless payments
- Deposit and recycling
- EMV and smart cards
- EFTPOS
- Interchange fees
- ISO/IAD activity
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