

DIEBOLD NIXDORF PERSPECTIVE

When everything is critical, there's only one thing to do

By Dewi Thomas, Vice President and Head of Managed Services, EMEA, Diebold Nixdorf



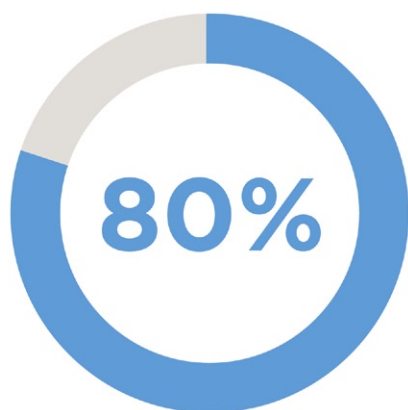
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Fifty years ago, the Boston Consulting Group laid out one of its most enduring concepts: the experience curve. The group's founder, Bruce Henderson, proposed the idea that "costs decline by some characteristic amount each time accumulated experience is doubled". Mr Henderson was evaluating the manufacturing industry, but as the 'as a Service' model grows in popularity, I think there is an interesting corollary with our own industry about the *value of experience*.

Competition from new players and evolving consumer behaviour necessitate banks focusing on the consumer experience. Owing to internal pressures, however, financial institutions (FIs) are forced to split their attention across issues:

- The self-service network needs attention;
- Compliance cannot be ignored;
- The latest IT projects require constant care and feeding.

BANKS ROUTINELY SPEND 80% OF THEIR IT BUDGET ON LEGACY TECHNOLOGY MAINTENANCE



Source: Financial News London

All the while, many FIs are limping along on a challenging combination of outdated software, hardware and core systems.

Consider these stats: In the latest *ATM Total Cost of Ownership Guide* from ATM Marketplace, respondents said the most expensive components of their self-service channel were hardware and CIT. Meanwhile, banks are routinely spending 80% of their IT budget on maintaining legacy technology, according to Financial News London. Translation: hardware, servicing and software are all critical challenges for today's banks.

Sound familiar?

If your company were in the IT, compliance or ATM business, you would be equipped with the breadth and depth of experience and expertise to drive down those internal costs. However, if your organisation is an FI, its core business is connecting consumers with the right financial products and services, and you have a B2C organisation with B2B challenges.

The right partner can step in to help address this discrepancy with end-to-end support that encompasses your hardware, services and software in a holistic, strategic way. I see two major ways in which such a partner can help transform business processes and drive economies of scale.

I. Scale and infrastructure to tackle the daily grind

In the XaaS environment, ATM as a Service is a solution I firmly believe should appeal to nearly every FI. No matter the size of your organisation, there are undoubtedly costs that could be driven down and efficiencies that could be squeezed out of both the cash cycle and your self-service network.

With a single vendor managing the entire process, you benefit from its speed and scale, and its ability to deliver end-to-end support across hardware,

software, middleware, apps, monitoring services, transaction processing and the switch, interactions with various schemes such as Visa and MasterCard, supply chain, certification and compliance. The entire network operations can be optimised.

In the ATM as a Service model, of course a reduction in total cost of ownership is a key factor. With a collaborative, white-label-style partnership with a provider like Diebold Nixdorf, your organisation retains control over critical elements like branding, consumer journeys and customised marketing, so you don't give up all your intellectual property rights and consumer insights.

2. Expertise for the one-off projects

A financial institution may roll out a handful of new innovations or offerings each year, but a financial services provider like Diebold Nixdorf helps FIs around the globe manage complex projects every single day. Our collaborations with a wide range of FIs translate into experience and efficiencies that can help your projects get off the ground and out to market much faster than if the project were managed in-house.

Take one example that is becoming more and more common: pre-staging transactions on mobile phones. Diebold Nixdorf's capabilities extend across physical and digital channels, so by using our industry-leading solutions, we can advise and support the entire journey:

- Creation and deployment of the software app for the consumer's device;
- Installation and management of the back-office dynamic transaction middleware and associated software;
- Maintenance and updating of necessary applications;
- Integration of the branch and self-service hardware and software.

This approach transcends the silos within an organisation (where one team is in charge of the branch, another is tasked with consumer experience and a third is running the data centre) and recognises the components from across the company that must be tied together to deliver a fully functional solution.

Attacking the root of the problem

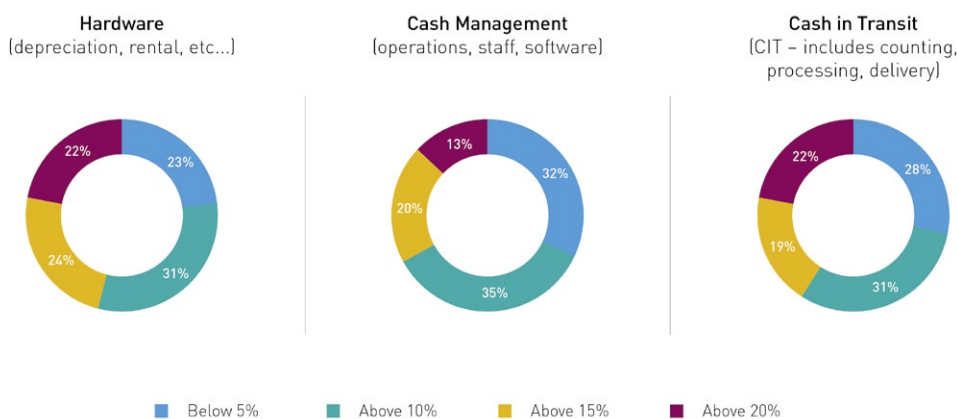
Every bank we work with wants to "be more agile" and to "move faster". But saying you want to move faster doesn't make it a reality. You've got to lay the groundwork and set your organisation up to be able to do this. One of the best ways to lay that foundation is to partner with someone who knows your industry from top to bottom and has the tools and resources to support your organisation flexibly, seamlessly and at scale. ■

Learn more about our end-to-end services support, Diebold Nixdorf AllConnect ServicesSM, at DieboldNixdorf.com/AllConnect.

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WHAT PERCENTAGE OF THE TOTAL COST OF YOUR ATM NETWORK COMES FROM:



"ATM Total Cost of Ownership Guide," ATM Marketplace, 2017