

Making the Case for ATM Managed Services

ATMs have become an essential and cost-effective delivery channel for financial institutions of all sizes. Not only are consumers changing the way they are banking; they are also changing the way they are using branches.

Consumers are increasingly switching to ATMs for a growing list of everyday transaction needs – from cash withdrawals and check-image deposits to statement requests and peer-to-peer money transfers.

In the current competitive market, it is vital for financial institutions to find a way to reduce the cost of providing services while exceeding consumer expectations. As institutions strive to find the correct balance, they are increasingly utilizing the ATM channel for a wider variety of transactions and functions, including marketing, cross-selling and client acquisition activities – effectively and efficiently moving into the future.

And in the years ahead ATMs will only grow in importance to financial institutions. Over the past few years banks and credit unions have reversed course from investing in big brick and mortar branches to smaller satellite and micro branches and new digital service and marketing technology. Now it is all about migrating and aligning a financial institution's channels and resources to support its consumers' busy schedules and personal preferences.

More Services While Reducing Management Expense

In our increasingly regulated and competitive economy it is imperative to capture the maximum return on your technology investments – and that includes your extremely valuable but often overlooked fleet of ATMs.

The amount of time and money dedicated to keeping the ATM fleet operating at optimum efficiency and in full compliance can be cost prohibitive for many financial institutions. The average ATM maintenance cost runs \$165 a month, according to Deloitte. ATM vendor Diebold Nixdorf reports that each new ATM costs \$15,000 to \$65,000, depending on how sophisticated the technology. A recent industry report from CO-OP Financial Services shows that ATMs can account for up to 35 percent of a financial institution's annual operations budget.

What is the most effective way for financial institutions to address this challenge? By contracting for ATM Managed Services.

Research and consulting firm Celent reports that financial institutions can save 15 to 25 percent on ATM management services by outsourcing.

Managing ATMs is critical but does not have to be time consuming and expensive.

Many institutions have opted for a turnkey ATM management solution to simplify their lives and reroute their resources and attention to their core business.

Fiserv provides ATM Managed Services for nearly 9,100 units. We take a "menu" approach to managed services, offering a solution that covers all aspects of the ATM or, alternatively, a subset of the services. Our managed services extend from first-line maintenance and cash replenishment to antiskimming.

Fiserv addresses security concerns.

On April 8, 2016, [The New York Times](#) reported ATM skimming was up over 500 percent. The article stated, "FICO Card Alert Service, which monitors activity at ATMs for bank clients, is reporting a sixfold increase in the number of machines in the United States compromised by criminals in 2015, compared with 2014."

Fiserv will help you meet the threat of ATM skimming head-on, with a cutting-edge anti-skimming device that offers the very latest in ATM fraud prevention technologies. The anti-skimming device is easy to upgrade in the field at a fraction of the cost of replacing the entire unit. With this technology installed on your ATMs, your consumers can be confident that their information is fully protected.

Keep current with technology and compliance updates.

Now is the time to begin planning the migration of your ATMs to the Windows 10 operating system. Windows 10 is the successor to the Windows 7 version. Within the last three years, many financial institutions upgraded from the reliable Windows XP to Windows 7 operating system, but Microsoft has announced that it will end support for Windows 7 on January 14, 2020.

Because new anti-skimming technology and payment card enhancements, such as EMV, have made skimming attacks less profitable, fraudsters are focusing more attention on ATM malware. ATM-specific malware is on the rise and it is detected by traditional anti-virus engines only when it has been used successfully against ATMs in the field. These dangerous pieces of malware are known as "zero-day" attacks.

Being on an unsupported operating system platform raises genuine security risks. Migrating your ATMs to Windows 10 will help reduce the risk of cyberthreats, malware and criminal attacks. Windows 10 provides data separation and containment features specifically designed to address new malware attacks.

Optimizing Cash Management

Every financial institution wants to avoid cash outages and surpluses. Fiserv addresses these issues with cash forecasting, cash ordering, armored carrier scheduling and ongoing cash balance monitoring and reporting for fast, accurate settlement and reconciliation.

Improve uptime and security.

According to a report from Level Four, 28 percent of U.S. survey respondents would be likely to switch financial institutions if they experienced recurrent issues of ATM unavailability. Today's consumers want and expect immediate access to their money – at every ATM location, 24 hours a day. ATMs remain the leading touchpoint for a financial institution to interact with consumers. The quality of the ATM experience drives consumer loyalty.

Fiserv can help you improve uptime through ATM status monitoring and diagnostic solutions designed to increase the availability of your ATM terminals without adding capital expense. Fiserv also provides first- and second-line maintenance (ATM repair services that increase uptime by efficiently managing paper supplies, currency jams, cash receipts and more), on-site technical support, regular compliance inspections and state-of-the-art ATM upkeep.

More reminders why your ATMs are so valuable – and need Managed Services.

ATMs play a more important role for your financial institution than ever before, and now is the time to protect your investment and optimize your ATM channel.

The cost of transactions performed at the ATM is far lower than transactions through tellers. Outsourcing more of the traditional branch operations to automated teller machines can significantly lower costs. ATMs are also not restricted by traditional banking hours, providing service for longer periods of time and increasing the level of convenience for current and potential clientele.

Now is the time to invest in ATM Managed Services.

A flexible, turnkey ATM program can offer complete client support and card management, and also offers a modified outsourcing plan, in which the financial institution owns the ATMs and contracts with Fiserv only for the services that are needed. With either type of program you can be assured of receiving the expertise and technology to prepare your ATMs for the future – and it won't be long before you will be investing in emerging technologies such as contactless cards, mobile phone integration, coin handling and cash recycling. We are focused on consumer needs and we have redefined ATM Managed Services by creating a competitive operations advantage for our clients by improving consumer engagement, ATM usage and convenience while simultaneously reducing ATM management expense.

Financial institutions spend millions of dollars on providing the best services and building inviting locations to attract consumers. Now is the time to make the same type of investment in your greatest touchpoint – your fleet of ATMs. Fiserv is the right partner for outsourced Managed Services, with the tools and the dedicated staff in place to make sure your ATMs have the same engaging appeal and convenience as well as the best uptime in the industry.

About the Author

Troy Cullen is Senior Vice President, General Manager, for Card Services at Fiserv, with responsibility for ATM and debit services. Troy and his ATM Managed Services Team use their extensive experience in cash management, corporate banking, treasury services and payment systems to ensure clients maximize the effectiveness of their ATM channel.

Connect With Us

For more information about ATM Managed Services from Fiserv, call 800-872-7882, email getsolutions@fiserv.com or visit www.fiserv.com.

Fiserv is driving innovation in Payments, Processing Services, Risk & Compliance, Customer & Channel Management and Insights & Optimising. Our solutions help clients deliver financial services at the speed of life to enhance the way people live and work today. Visit fiserv.com to learn more.



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