

**DIEBOLD PERSPECTIVE**

# The outsourcing advantage

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In the operation of their automated teller machine (ATM) channel, financial institutions are united by a set of strategic goals. Regardless of their diverse business and geographic circumstances, banks and credit unions seek to deploy advanced functionality, enhance the customer experience, meet regulatory compliance and improve security.

The way many institutions are meeting these goals also unites them. In increasing numbers, financial institutions are turning to outsourcing providers. Demand for outsourcing of ATM operations is gaining momentum in the global financial services market. Seeing the benefits of a third-party provider, decision makers are driving the migration to the outsourcing model.

**Forming a strategic alliance**

When a bank or credit union outsources, it entrusts some of its operations to a third party. A healthy outsourcing association is a strategic alliance, allowing the institution a cost-effective way to update technologies, integrate processes, comply with regulations and enhance functionality and security measures across the ATM channel.

Effective outsourcing relationships can provide institutions with an end-to-end solution, including hardware, software, services and security, while streamlining multiple vendor relationships to a single point of contact. When entrusting their operations to a reliable outsourcing provider, institutions can more seamlessly take advantage of emerging technology designed to improve efficiency and customer convenience.

**Enhancing the customer experience**

Financial institutions strive to offer the best banking experiences to their customers. Outsourcing providers offer an array of services and expertise that enhance the consumer experience.

Through an outsourcing arrangement, banks and credit unions can gain services such as deposit automation, currency management, maintenance service, one-to-one marketing, remote software deployment and more. Institutions can continuously add new functionality to their self-service channel, typically in minimal time to market.

Enhanced services can lead to a more fulfilling banking experience. Consumers can make deposits at the ATM more easily, while experiencing a consistent look and feel across all banking channels. They can enjoy new ways to interface with the ATM, such as through the mobile channel, as well as expect a personalised transaction every time they step up to the ATM. The result is high-quality interactions that attract and retain customers.

**Providing operational efficiencies**

As financial institutions around the world recover from the recent credit crisis, many are looking for ways to minimise costs. As an effective way to achieve savings, outsourcing allows financial institutions to manage their self-service channels for up to an estimated 20% less than if it were managed in-house. The model frees institutions to shift attention and resources from their ATM operations to broader initiatives, such as driving growth strategies and refocusing on the enhancement of customer relationships.

Financial institutions gain cost efficiencies and economies of scale through an outsourcing relationship. This can be achieved in part by moving to a financing or leasing plan for their ATM fleets, but also by refocusing staff attention from ATM operations onto more customer-oriented functions. The result of these efficiencies is a decreased total cost of ownership for the ATM channel.

**Delivering expert resources**

According to the latest research, access to expert resources is a primary driver for outsourcing in retail banking. Strong outsourcing providers deliver industry expertise and up-to-date information on emerging technologies, while addressing the evolving business issues and challenges facing financial institutions. They can function as an extension of the institution, helping it to improve operational performance. With their specialised experience, third parties can manage those functions for which financial institutions may not have the available internal expertise, staffing resources or infrastructure.

**Developing customised programmes**

As one of the premier outsourcing providers in the world, Diebold delivers customised outsourcing programmes to help financial institutions cost-effectively supply advanced functionality, build customer relationships, stay compliant and strengthen security.

In the optimal outsourcing arrangement, Diebold provides the owner of the ATM fleet the ability to obtain a real-time, objective view of its operation. The institution maintains the ability to monitor its outsourced operational functions as often as it

wishes and has access to more real-time data and network status information than ever before. It is the strength of Diebold's hardware, software and services that enables this powerful connection.

By choosing Diebold as their turnkey outsourcing solutions provider, financial institutions improve efficiencies in their ATM channels, deliver the latest features to their customers, and build a strategic alliance with a world-class outsourcing partner.

With Diebold, banks and credit unions align forces with a trusted partner who offers a single point of contact, end-to-end solutions, and proven success demonstrable through solid customer references.

Most importantly, Diebold provides a global sales and service footprint. No matter where financial institutions want to do business, Diebold – managing more than 60,000 ATMs around the world – is there to serve them. ■


*For more information, including a white paper offering a closer look at self-service outsourcing, please visit: [www.diebold.com/outsources](http://www.diebold.com/outsources).*

**Access to expert resources is a primary driver for outsourcing in retail banking**

**Effective outsourcing relationships can provide institutions with an end-to-end solution**

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\* The services listed here may vary by geography

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