

# The ATM,

a channel to rethink and make profitable



In a world where virtuality and digitization are key elements for the survival of companies today, financial institutions have not been left behind, knowing that they must react to the imminent growth in the use of channels by the population.

– por David Eduardo Vargas Sarmiento,  
Product Manager ATM. Evertec Colombia.

---

In recent years, the financial sector has become more strategically and technologically advanced, to offer the market new experiences through the various channels they make available, this in order to grow in interactions with their clients.

Faced with the emergence of new players in the financial ecosystem, digital transformation is no longer seen as a future issue, but as a reality that must be addressed through innovation and reinvention. This is the call or latent opportunity that these types of institutions have, to digitize traditional processes that have generally been directed to be served in physical branches, and thus give way to deepen a self-service strategy.

Based on this premise, the ATM becomes one of the best tools to meet this challenge, because despite being over 50 years old, it is still in force and plays a key role in connecting the consumer of a few years ago with the current. When facing this increasingly digital society, it is important that this self-service channel keeps pace with industry trends, but without forgetting that it is an instru-

ment of financial inclusion and that it will continue to be so in the near future.

It is the best ally in all the reinvention processes of the financial sector, since through it operations can be facilitated and customer experiences improved, promoting novel interactions to offer added value to its users. It is there where the combination of experience and innovation come to play an important role in the redefinition of this channel, as it must maintain the security that characterizes it, and gradually change the experience of interaction with customers, allowing various transactions to be carried out in an agile, modern and safe way.

Technology makes it increasingly possible to make transactions easier, to reduce in a certain way some costs of process intermediation, and through the modernization of ATMs, the opportunity is visualized for financial institutions to increase their presence in the market and combine your service channels to attract new customers.

# expanding the functional horizon

Perhaps many entities see the ATM as an expensive and obsolete device that they tend to neglect when thinking about the digital strategy of their institution. However, the ATM can become the standard-bearer of innovation for the entity if it is considered within a general and consonant digital strategy. It implies ceasing to see the ATM as an island, as an independent service, and seeing it as an integrated service within the digital strategy, also bringing return on investment. Setting up ATMs is expensive, and maintaining them too, but if we stop seeing it as a commodity, and see it as a channel in which to further exploit the investment that has already been made, enhancing it in line with the other channels, then we are already "rethinking" the channel.

This innovation can be visible to the customer or visible to the direct interests of the business. In the eyes of customers, the institution can innovate by incorporating non-traditional transactions in the ATM, for example, the QR transaction, which is a simple and non-traditional transaction in which a barcode can be read or simply from the ATM, that shows the barcode, and that one can read it from a mobile device. This type of functionality is known as doing the "pre-stage" of transactions, because the transactions begin on the mobile phone, but end at the ATM. For example: from the mobile I indicate that "I am going to withdraw USD 1000 from such account, and I authenticate myself", when I arrive at the ATM, I simply scan the ATM's QR, and the host already validates who I am, how much is the amount, and without contact I can withdraw the money.



Thinking about efficiency, ATM manufacturers are introducing the recycler ATM as the next evolution of these machines, where the same money received in deposits is used to deliver to the customer who is requesting a withdrawal, and with this functionality transactions can be made of cash in and cash out in the same ATM, thus reducing the movement of the securities transporters to supply the ATMs. This change in model requires business intelligence and prior consulting, because not all ATMs can be transformed into recyclers from one moment to another, but those who, due to their proximity to a business, location, strategy or functionalities can exploit it the right way, thus generating an interesting way to explore to increase the efficiency of the channel and generate economy and new business for the institution.

Another fundamental and saving role for financial institutions that ATMs can play is related to the operational efficiency of human resources in a branch or physical office, we call this transactional migration. It involves taking the operations that are being carried out in the physical box of a

branch to the ATM. Today at the branch cashier 25% of the time is spent on cash withdrawals, 25% on receiving deposits, and 25% of the time on payments; and the other 25% of the time that the human teller has left in a branch is to carry out all other transactions such as cash register, bring money from a vault, or take it there, administrative functions, etc.; adding the time spent is using 75% of its human resources on things that can be done on a machine. This idea implies a change of model, and entails education for users, but the benefits in the medium and long term are significant and encouraging, because the door is beginning to open towards the inclusion of the ATM in the digital strategy of financial institutions.

The ATM is the channel with the longest trajectory and recognition in the transactional world and on which there are many complementary services and functionalities that, as we have seen, can be offered. The recommendation is to encourage yourself to innovate from an already positioned channel, in which you have 100% of the customer's attention, relying on technology and business partners such as Evertec®. **So why wait to make the investment profitable?**