



# ATM Outsourcing

## The Answer to Your ATM Woes

Owning an ATM can be a difficult task.

Cash forecasting and replenishment, regular maintenance, repairs, transaction processing and software upgrades can all make it a lot to handle. Now government requirements, regulatory changes and even liability shifts are making the operation of ATMs overwhelming on your employees' time as well as your budget.

For banks and credit unions, ATMs are not a profit center. They cost financial institutions time and money to operate. Technology is also changing rapidly and consumers, especially Millennials, are demanding increased functionality at the ATM. This increase in demand only inflates costs further.

Failing to provide account holders with a fleet of well operated ATMs that offer a number of different functions is not an option today.

Consumers have come to rely on ATMs and choose financial institutions that provide convenient account access in the communities where they live, work and worship.

Those factors and more are why so many financial institutions are turning to ATM outsourcing.

## Is ATM Outsourcing Right for You?

The reasons for ATM outsourcing often differ based on financial institution size. For smaller institutions, outsourcing programs can bring the benefit of expertise, volume discounts, the newest technology, cash forecasting and reporting/analysis that the institution could not have previously obtained. Larger banks and credit unions may benefit from the intensive reporting and process optimization

ATM outsourcing can provide while freeing up their IT departments to focus on tasks more central to the organization.

However, no matter the reason the banks and credit unions turn to outsourcing their ATMs - financial institutions of all sized profit from reduced costs, and the knowledge and the assistance ATM outsourcing can provide in regards to ATM upgrades and requirements such as ADA, PCI compliance, Windows 8 migration, EMV, and other regulatory requirements.

"Rather than spending time managing our ATMs-replacing cash, performing maintenance, doing reconciliation and keeping up with ever-changing regulations - our staff can focus on helping our members," says John wakefield, CEO of \$1.086 billion Empower Federal Credit Union.



## Meeting Regulatory Compliance Demands

ATM updates for ADA, EMV were a huge task for financial institutions. There was a scramble to purchase and install a wide variety of hardware and software upgrades as well as a need to replace ATM models that were not upgradeable. Sharenet worked as an ATM outsourcing partner with a number of credit unions and community banks to assist them in their efforts to meet government regulations in a timely and affordable manner.

"Keeping up with regulatory requirements is a huge headache for all financial institutions because it is so time-consuming and changes so often," says Mary Scheib, vice president of operations with cornerstone CFCU, the largest credit union based in Western New York with more than 47,000 members and assets in excess of \$360 million. "Not having to deal with compliance issues is one of the biggest benefits we get from our relationship with Sharenet."

Empower Federal Credit Union's Wakefield agrees. "We no longer stress over the countless regulations like ADA, PCI, Windows migration EMV. Sharenet is on top of the regulations and is taking care of compliance for us," he says.

"No bank or credit union should have to face the security issues, fear of litigation and potential for fraud losses that many of the recent and upcoming mandates place in front of them," said Ray Davis, founder of Sharenet. "Our programs can help them meet the timetables and financial goals they need to reach, in order to mitigate those risks."

"With increasing fraud in the United States, EMV liability shifts and Microsoft for Windows, now is the perfect time for smaller financial institutions like community banks and credit unions to take a good look at outsourcing their ATMs," says Josh Ettesvold, founder of Express Teller Services in Phoenix, Arizona, now part of Sharenet.

## Reduced Costs

Perhaps the biggest reason financial institutions are turning to outsourcing is the cost factor. Not only does outsourcing reduce your costs, it also frees up your staff to concentrate on core competencies such as providing service to account holders, closing loans and selling additional products.

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**Mary Scheib  
Cornerstone CFCU**

can take advantage of collective buying power and dramatically reduce operating costs. Not to mention you'll receive best of class service for an affordable monthly fee," says Ray Davis.

"Outsourcing our ATMs was the right decision for us," says Scheib. "We get the best price on new ATM hardware and software because of Sharenet's collective buying power, and we no longer carry the burden of having to manage our ATMs on a daily basis. Not having to manage our ATMs on a daily basis. Not having to deal with ATM processing, reconciliation, vault cash forecasting, cash replenishment and ATM maintenance has saved us a lot of time and money."

"Outsourcing our ATMs has proven to be cost effective and, best of all, our staff can focus on servicing our members instead of babysitting ATMs. Sharenet frees up our internal resources," says Wakefield.

"On a personal level the biggest benefit is that I no longer get phone calls on the weekend saying the ATM is down. I know Sharenet is taking care of them," says Mary Scheib.

## Keeping Up with Technology

Over the last few years self-service technology has exploded. ATMs can do much more than dispense cash. Today, banks and credit unions can do everything they offer at a branch via video teller machines, consumers can buy gift cards at the ATM, purchase pre-paid phone cards, convert their cash into Euros or other foreign currency, send money to relatives or friends, perform contactless withdrawals through their smartphone and much more.

And as the payment industry in the U.S. has shifted to EMV, new functionality, some of which we may not even be able to imagine yet, will become available at the ATM.

"Many financial institutions do not have experience with the technologies that are coming out today or too little experience with implementing new technologies at the ATM, due to their smaller, localized fleets," says Ray Davis.

"Businesses that focus on ATM industry, like Sharenet, bring their knowledge of ATM operations and ATM technologies such as contactless transaction and video teller

## 5 Good Reasons to Outsource

### **Reduce Operating Costs**

By utilizing an ATM management company that focuses solely on ATMs, you can take advantage of collective buying power and dramatically reduce operating costs.

### **Ease the Stress on Back Office Resources**

By eliminating the stress of having to manage ATMs, your back office staff can focus on developing programs that will allow you to attract new account holders.

### **Improve Member Service**

By outsourcing your ATMs, front line staff don't have to babysit ATMs and are free to focus on providing customer service.

### **Eliminate Regulatory Compliance Headaches**

With EMV liability shifts and PC deadlines looming, one of the biggest benefits of ATM outsourcing is the elimination of maintaining regulatory compliance matters that affect ATM security and fraud protection.

### **Gain Access to World-Class Capabilities**

ATM outsourcing companies utilize world-class services that improve the daily management of ATMs. By utilizing an outsourcing company, you gain access to these tools for a fraction of the cost of developing them in-house or purchasing expensive software programs.



machines to the table. They build on that expertise and are able to apply it to provide smoother implementations and easier transitions as ATMs evolve,” Davis remarks.

## Simple Vendor Management

Aside from costs and compliance issues, credit unions and banks also face the daunting task of regulating third party providers. Increased oversight by regulators has made this process particularly troublesome and recent guidance on the process of the vendor review has illustrated the time and effort needed to fully track and vet appropriate partners.

In-house ATM management can add to these efforts by requiring a multitude of individual vendors such as cash providers, service providers and processors. ATM outsourcing gives financial institutions the benefit of single partner to manage all of these services, reducing the amount of time and effort it takes to oversee third-party providers.

## How is Sharenet Different from Other Outsourcing Service Companies?

Many financial institutions have heard about or looked into ATM outsourcing programs at one time or another. While other companies can easily provide a wide network of services and placements for off-premise ATMs, they fall short when it comes to meeting the full needs of financial institution members and customer. Most ATM companies simply don't understand financial institution models or what is expected from credit union and bank machines.

“We work with customers to design programs that work for them,” says Ettesvold. “This often means installing more high functioning machines. We have relationships with top manufacturers, including NCR and Diebold, and are able to provide the right machine for any location - whether that be a simple cash machine, something with deposit automation or even a video teller.

Sharenet provides full compliance to their customers, meeting the requirements set forth by the credit union regulator NCUA and Operations Choke Point. “Banks and credit unions have enough legal and regulatory requirements to worry about,” says Davis. “That’s why our company works hard to make sure our partners are covered at the ATM.”



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**Businesses that focus on the ATM industry, like Sharenet, bring their knowledge of ATM operations and technologies like contactless ATM transactions to the table. They build on that expertise and are able to apply it to provide smoother implementations and easier transitions as ATMs evolve.”**

**Jorge Fernandez  
Sharenet ATMS**



Sharenet was founded by credit unions in New York and, thus, understands the inner workings of financial institutions, as well as the expectations for their ATM services.

That's why Sharenet's "ATM Complete Program" offers a variety of options for on-site and off-site locations, including cash dispensers, deposit taking ATM's, and robust machines with the innovative features consumers look for in financial institution ATMs, all at the best possible prices.

Sharenet's programs are not limited to outsourcing. We also provide a surcharge-free ATM alliance and branding opportunities through our "ATM Participation" and "Private Branding" programs, says Davis.

Davis remarks, "these programs give banks and credit unions the benefit of expanding their brand recognition and marketing as well as offering further convenience to account holders."

"In fact, branded ATMs are more trusted by consumers. Branded and surcharge-free machines have proven to push an increase in transaction volume, around 20-40 percent per location, resulting in more exposure for the financial institution's message,".

"Sharenet is a financial institution focused company that understands the evolving U.S. ATM industry, the complex regulatory requirements involved in operating ATMs and the challenges and potential growth," says Ettesvold.

"A complete end-to-end outsourcing partner like Sharenet removes the typical ATM headaches that financial institutions face by reducing operational costs, freeing up staff time, providing the latest in technology and meeting regulatory mandates," remarks Ettesvold.