

Banking in a box

With the demise of the traditional cashier role comes a neat solution for banks looking to combine convenience with a personal touch. **Steve Hensley**, Executive Vice President of Sales and Marketing at ATM specialist **KAL** opens up...



The experience of using a cash machine or ATM has become entirely familiar since their introduction in the 1960s. We can all relate to the pain of seeing a £2.50 usage fee notice flash on the screen in a corner shop machine, just as we cherish the Holy Grail of one that dispenses fivers.

But KAL, an ATM software company based in Edinburgh, believes they can be so much more. It's setting out to transform the 50-year-old ATM into a 'universal bank connection hub' by injecting some true automation into the automated teller.

Steve Hensley, executive vice president of sales and marketing at KAL, says there is a compelling reason for banks to invest in updating their aging estate of holes in the wall.

"A lot of banks are downsizing the number of branches they have and are consequently having to automate more and more processes. That's where we come in," he says.

"We don't just focus on ATM software, but also software for kiosks and bank branches. We help banks to automate both their branches and their ATMs, and we provide software that supervises ATM networks to ensure that they are fully functioning, available and up to date.

"We're working with a lot of big banks around the world on these projects, as our software allows ATMs, kiosks, and self-service machines to provide many more functions. We also help them to alter their branches to support new kinds of devices, such as cash recycling machines, coin machines and deposit machines, to name a few," he adds.

Having started rolling out Remote Teller Machines (RTMs) four years ago, giving bank customers instant access to their cash from merchants in locations where ATMs are hard to find, one of KAL's partners is now ready to launch the ETM – the Extended Teller Machine, described as a 'bank in a box'.

"Branches aren't going to disappear any time soon," says Hensley. "But we recognise how banks are having to optimise their

branches for face-to-face communications. Some things just have to be done face-to-face. When it comes to more complicated interactions, such as setting up a mortgage or an investment, people still want to sit in front of a desk and have a discussion with a real person but we don't believe that this necessarily needs to take place in branch. Why not use video technology to connect the customer and the advisor? Our assisted self-service cash machines, such as the KAL RTM, are doing just that," he adds.

Collaborative effort

The ATM, RTM and now the ETM are all part of the company's ambition to encourage a 'collaborative effort between the customer and the banker to embrace self-service technologies'.

"Our machines allow face-to-face communication to occur without either party being present in the branch," says

“Our machines are effectively converting cash machines into mini branches

Hensley. "We expect the result of this to be a continued decrease in branch numbers, but also a significant growth in the intricacy and importance of video-enabled transactions with remote teller assistance."

The business case for adopting next gen tellers is persuasive.

"The biggest problem facing banks is controlling the cost of delivering transactions," says Hensley. "That is what's motivating the move to self-service. The cost to a bank of providing a transaction over the counter is very expensive. It is simply no longer commercially viable for them to provide this service. That's why banks are having to automate processes,

because automation permits consumers to carry out the transactions themselves. This way, bank staff are free to act as both sales people and consultants in branch, focussing only on higher value transactions.

"The result of all of this? The quality of higher value transactions in branch is improved due to the greater availability of bank staff; the convenience to the customer of lower value transactions, such as depositing and cashing cheques, is increased; and the operating costs of banks are lowered to a controllable level."

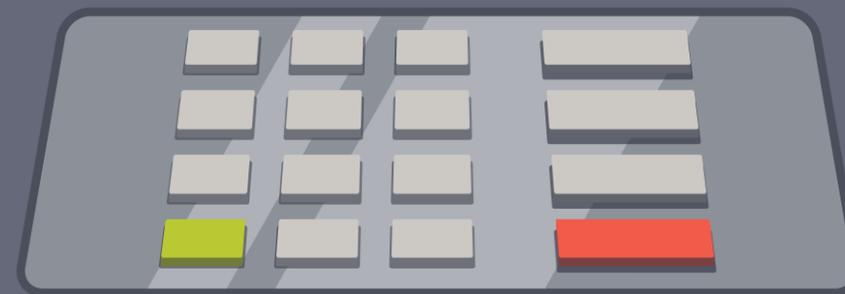
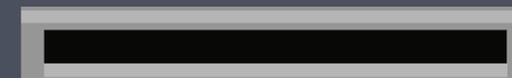
He sees financial firms focussing on achieving 'an unprecedented level of universal convenience for the consumer'.

"We're constantly seeing the addition of new delivery channels in the mobile, tablet and home banking sectors, and it's all in the name of customer comfort and security," he says. "The unrelenting increase in contactless and tap-and-go transactions is proof of how consumers are responding positively to these developments.

"There's a lot of talk about the transformation of bank branches for convenience purposes, but I believe that a lot of people are approaching the task in the wrong way," he adds. "Perhaps we shouldn't be referring to it as the 'transformation' of branches, so much as the 'extension' of branches.

What's the difference between going into a branch to carry out a special or unique transaction and visiting a self-service machine, or doing exactly the same thing, having conversed with a bank teller using video technology? Our machines are effectively converting cash machines into mini-branches, and that's how we're contributing to the convenience craze that's sweeping the financial industry."

Steve and the KAL team will be at this month's invitation-only Branch Transformation event in London, where they will present the new ETM to senior bank executives responsible for defining the future size and shape of their branch network. KAL will be hoping one of those shapes is a box.



Shape of things to come?:
Banking convenience in a 'box'