

Banking on Bank Hardware

Damian Joseph, *Business Week*, February 13, 2009

I attended the “Automate and Accelerate: Best Practices For Leveraging Self-Service and Cash Flow” forum the other day at Chicago’s downtown Marriott Hotel. Basically, this was an industry event hosted by Wincor Nixdorf—a German company that deals in banking hardware, software, and services—to showcase new ATM and cash counting technology. Here are a few highlights and some interesting things I learned:

There are some 400,00 ATMs in the U.S.

- 50% of full-time and 70% of part-time bank tellers quit or are fired each year
- 20% of that turnover is employees fired for reconciling differences, i.e. repeatedly being short on cash at the end of a shift
- U.S. ATM and self-service technology is a decade behind Europe’s
- New P2P (peer to peer) technology will allow people to transfer money to each other on their cell phones. The sponsors say this is already done in Africa
- Banks are beginning to realize they should train their employees to do multiple tasks, like take deposits as a cashier AND open up new accounts (wow!)

As for the technology, new cash recycling machines will take counting out of tellers’ hands

- The machines will take a stack of bills in any denominational order, count them, verify they’re not counterfeit, and add the amount to the customers account
- Similarly, the machines will spit out any amount of cash in any denominations for customers
- The idea is to cut down on teller mistakes and theft, and to give bank employees 10-15 seconds more to offer customer service
- The machines also act as safes

New ATMs are being rolled out by the country’s biggest banks like JP Morgan Chase, Bank of American, and Wells Fargo

- You can make deposits at the ATMs, feeding cash or checks into a slot similar to the one found on snack machines, no envelopes
- The new machines identify counterfeit cash and checks
- When depositing checks, you can opt to print out the image of the check on your receipt
- The deposits post instantly to your account electronically, no more waiting for checks to clear
- New software has been developed to run these systems. It can check cash amounts in ATMs, how much of a given bill denomination is left in the machine, even how much ink is left in the printers. Essentially, a bank can monitor all of its ATMs from one computer.