

Banking

Making banking accessible and convenient while **driving financial inclusion** through new ATM service offerings

BSG assisted a leading bank with an African footprint to increase their competitive footing through the deployment of new ATM service offerings by upgrading 390 ATMs in Africa, replacing 13 ATMs and ensuring 573 ATMs meet urgent regulatory requirements by being EMV compliant.



Overview of the client's needs

- Improve functionality and product offering on self-service devices
- Ensure Visa and MasterCard EMV compliance in the African subsidiaries for ATM acquiring



Objectives of the engagement

- Enable customers to move from branch to ATM utilisation, and from ATMs to digital channels
- Replace end-of-life hardware and software with more recent versions
- Ensure upgrades allow for preventative ATM maintenance and monitoring
- Address fraud issues through EMV compliance
- Meet all regulatory requirements and deadlines of 10 different African countries



Benefits of the change

- Shift in customer channel usage from branches to ATMs to digital channels
- Increased customer base through financial inclusion
- Increased trust in Standard Bank brand through reduced card fraud and interoperability
- Reduced ATM maintenance costs and efforts
- Increased customer access to ATMS
- Lower operating costs
- Faster deployment in-country of new products and services

“BSG assisted us to ensure the **right processes** and management tools were put in place to **enable us to manage and maintain all ATMs** across our rest of Africa business.”

– Muhammad Sindhi – BIO, PBB
IT RoA, Customer Channels,
Standard Bank

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Engagement Overview

Since the EMV liability shift to ATM owners was enforced in early 2006, EMV acquiring compliance has become a key imperative for banks, who are now liable for any fraudulent transactions performed on non-EMV compliant (non chip-and-pin accepting) ATMs. A large portion of the client's ATM fleet was non-compliant, resulting in fraud losses totalling millions of Rands.

In addition to EMV acquiring compliance, the existing African ATM service offering needed a revamp to improve the ATM screens and introduce new service offerings such as real-time cash deposits and instant money. The improved screens would provide a host of services and offerings to create value for the bank's customers.

This is in line with the bank's strategic goal to shift customers from branches to ATMs and from there to digital channels; to provide customers with greater access to products and services, at significantly lower effort, with more convenience and more cost-effectively.

The new ATM functionality allows for convenience as customers can transact outside of traditional bank branch hours, access more self-service options and have cardless ATM access:

- Through real-time cash deposits, customers can deposit money at an ATM, which is credited immediately to their bank accounts and can be done outside of traditional bank branch hours
- Instant money enables customers to withdraw cash from an ATM without the need for a bank account or the use of a card
- Self-service allows for real-time deposit-taking at ATMs

Solution

The bank approached BSG to support them in rolling out and testing a new vendor-supplied platform. BSG commenced the project by performing a hardware audit to scope and size the initiative, which indicated that over 50% of the ATM fleet needed upgrading and less than 5% had to be replaced.

System upgrade and EMV compliance

The ATM system and infrastructure upgrade had to take place in Botswana, Ghana, Kenya, Lesotho, Malawi, Swaziland, Tanzania, Uganda, Zambia and Zimbabwe.

This was one of BSG's largest system and hardware roll-outs across Africa and the success of the project was reliant on open communication and collaborative planning with various stakeholders from the bank, vendors and countries. BSG built effective relationships with key stakeholders and gained unprecedented insights into the nuances of each country, which aided delivery.

While EMV compliance deadlines set by the regulator dictated the initial country prioritisation, countries further down the list began calling for an accelerated roll-out plan. This was made possible through BSG's build-measure-learn (BML) approach, whereby lessons learnt from system implementations in initial countries were applied to those that followed. Despite different environments inherent in each county, approaches defined for one African country could be utilised in another.

Enhanced ATM service offering

Prior to this project, the ATM system and infrastructure had limited what the bank could offer customers regards ATM service offerings. This was due to the need to retrofit new functionality to outdated software, which would be a costly exercise.

The upgrade would allow for this much needed additional functionality and required BSG to elicit, document and support the development and drive the testing and deployment of the new functionality. Through requirement sessions with various stakeholders (including the architects of the impacted systems)—insights into the capabilities and limitations of the existing systems, underlying risks, regulatory requirements and the impact on the current operating procedures were gained and resulted in a comprehensive and clear analysis document. Combined with continuous interaction with the vendors during the development phase meant minimal defects during the testing and subsequent deployment phases. It also made it possible to deploy the new service offerings to various countries without any additional development.

As with the upgrade, the lessons BSG learnt from each implementation were applied to future implementations, resulting in a quicker to-market time and a clear understanding of what needs to be done for any implementations to follow.

Benefits

- Shift in customer channel usage from branches to ATMs to digital channels; due to improved customer convenience and access through deployment of new ATM service offerings, self-service channels and services previously only available at a branch
- Increased customer base through financial inclusion, resulting from the introduction of new services
- Increased trust in the brand through reduced card fraud and interoperability as a result of the EMV compliance
- Reduced AMT maintenance costs and efforts due to uniformity of hardware across African operations
- Increased customer access through significantly reduced downtime of the ATM network, as a result of the hardware and software upgrades
- Lower operating costs due to increased operational efficiency across Africa through standardisation of operations
- Faster deployment in-country of new products and services through easier installation, faster boot up times and full support for the latest touch screen technology through Windows 7

BSG making a difference

This project encompassed true partnerships with all the relevant stakeholders from the bank, vendors and client countries. The BML approach, together with the team's ability to build effective relationships, aided the delivery of this project and future initiatives.

While enabling EMV ATM acquiring compliance and enhancing customer experience were significant benefits for the client, a more significant benefit for the bank was how access to instant money was the first interaction with the formal banking infrastructure for many users, driving financial inclusion.

The ATM cash deposit solution has also enabled the bank to address the high costs associated with running and maintaining branch infrastructure as a deposit-taking channel. Utilising alternative channels for cash-related transactions, not requiring high-end advice and interactions with customers, is key for the client.

"Cash is still an extremely important component of banking in all the African countries that we operate in and it is important to ensure that our cash management devices, such as ATMs, are effectively managed and maintained. Through BSG's assistance we were able to co-ordinate upgrades to Visa and MasterCard certification and the recent deployment of a very effective ATM monitoring application for all countries we operate in. This will definitely put us in good stead to ensure stable and reliable banking services are provided to our customers across the African continent."

– Muhammad Sindhi – BIO, PBB IT RoA, Customer Channels, Standard Bank

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