CORNELIUS SYSTEMS

ATM-AS-A-SERVICE: A STRATEGIC SHIFT FOR SMARTER BANKING

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EXECUTIVE SUMMARY

ATM-as-a-Service (ATMaaS) has become one of the most quietly transformative strategies available to financial institutions—and yet, many banks and credit unions are still asking the wrong question: *Why would we outsource our ATMs?* This whitepaper asks a better one: *Why wouldn't you?*

The case is clear. Traditional ATM ownership is capital-intensive, maintenance-heavy, and distracts institutions from what actually drives growth. At a time when regulatory burdens are increasing and consumer expectations are accelerating, ATMaaS offers a way to simplify operations, reduce risk, and reallocate resources toward strategic priorities.

We explore:

- Why the legacy ownership model no longer serves most institutions
- What the data says about outsourcing trends and cost structures
- The real definition of ATMaaS—and how to do it right
- How consolidating ATM and branch equipment under one partner multiplies value
- How to thoughtfully overcome common objections without losing control
- What to look for in a partner—not just a vendor
- How ATMaaS can elevate institutional focus, culture, and growth

The goal of this paper is not to sell you on a product. It's to shift the conversation—from how much you're spending to how much you're sacrificing by keeping ATM management in-house.

ATMaaS is not about handing over the keys. It's about clearing the road ahead.

And in this economic environment, the institutions willing to let go of what no longer works are the ones best positioned to lead.

SECTION 1: The ATM Ownership Model is Outdated

Subtitle: Too Much Capital, Too Little Return

There's a question that most banks and credit unions are starting to ask themselves—quietly, and sometimes reluctantly: "Why are we still in the ATM business?" And the more they dig, the more that question becomes impossible to ignore.

ATMs were once a symbol of modern banking. In the 1980s and 1990s, they were beacons of convenience, brand touchpoints, and even competitive differentiators. But times have changed. Customer expectations have shifted. Digital channels have become primary. And maintaining your own ATM fleet? That now looks less like a core competency and more like a costly distraction.

The Capital Trap

ATM ownership demands capital—lots of it. The cost of acquiring a modern, feature-rich, compliant ATM can run anywhere from $30,000 to $80,000 per unit. But the price tag doesn't stop there. Institutions face additional costs for installation, networking, ADA upgrades, EMV compliance, software integration, and physical site preparation. Each upgrade cycle reignites the capital expense fire.

And let's be honest: these machines aren't profit centers. They don't scale like digital products. They depreciate. And they often sit at underused branch locations generating more service tickets than value.

Death by a Thousand Tasks

Running an ATM fleet means managing an invisible checklist that never ends:

- Software patching (to avoid compliance gaps)
- Cash forecasting (to avoid empty cassettes or excess vault cash)
- Scheduling cash replenishments with armored carriers
- Dispatching service technicians for card reader jams, printer failures, and power issues
- Logging maintenance events to meet audit and regulatory scrutiny
- Updating signage, fee disclosures, and legal notices

These tasks rarely live in one department. They bleed across IT, Operations, Facilities, Risk, Compliance, and Branch Management. No one owns them. Everyone touches them. And yet they're nobody's priority—until something breaks.

Misallocated Talent

You hired smart people to drive digital transformation, improve security posture, and elevate customer experience. So why are those same people babysitting a fleet of aging metal boxes?

ATM management consumes time and attention that could be better spent preparing your institution for the future. Every minute chasing down a broken dispenser is a minute not spent on innovation.

The irony is painful: in a world where talent is scarce and change is constant, your best people are tied up in tasks that belong in the past.

Declining Value, Rising Cost

ATM usage isn't disappearing, but it is declining—especially at branches. Meanwhile, the cost to maintain and secure those ATMs is rising. Compliance doesn't get cheaper. Labor doesn't get cheaper. And vendor coordination never gets easier.

What you're left with is an asset that delivers less utility every year, but demands more investment. A shrinking ROI curve that your finance team sees but no one wants to talk about.

The Model is Misaligned

This isn't about technology. It's about alignment. The traditional model—where you buy, own, maintain, upgrade, and manage your own ATM fleet—may no longer align with your institution's mission. It ties up capital. It consumes labor. It invites risk. And it competes for attention with initiatives that could move your institution forward.

Daniel Pink might say this: People and organizations are at their best when they align what they do with what truly matters. For today's banks and credit unions, that means asking a powerful, liberating question:

If you wouldn't build your own mobile app from scratch, why are you still running your own ATM network?

It's not a rhetorical question. It's the first step in rethinking what's essential—and what's better off in the hands of a partner who lives and breathes ATM performance every day.

Because in 2025, continuing to own and operate your ATM fleet might not be the strategic advantage it once was—and taking time to reevaluate could uncover a better way forward.

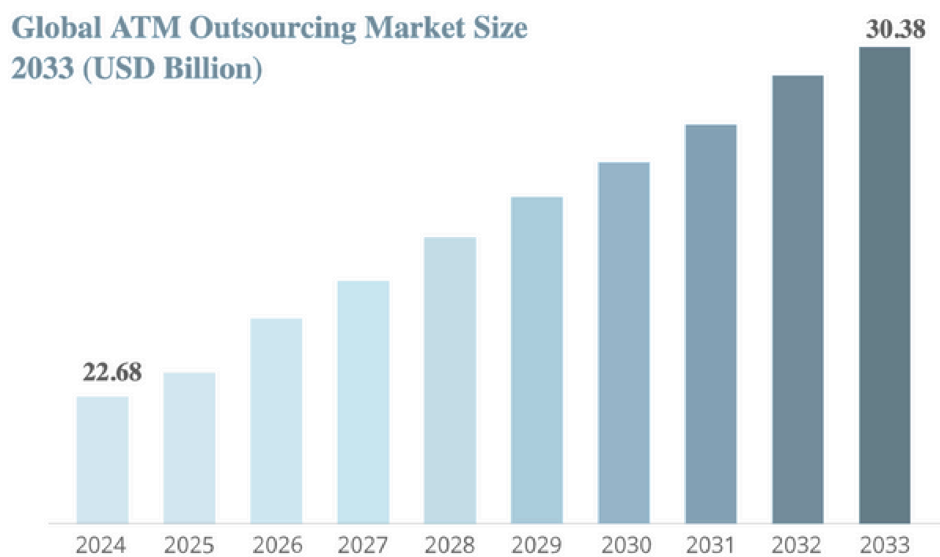
SECTION 2: The Market Has Spoken

Subtitle: When Outsourcing Becomes the Smart Move

Trends don't emerge overnight. They gather slowly, quietly, until one day, they become impossible to ignore. That's exactly what's happening in the world of ATM operations. A decade ago, outsourcing your ATM fleet was seen as bold. Today, it's increasingly viewed as best practice.

Across the country—and increasingly, across the globe—financial institutions are rethinking their approach. Why? Because the economics have shifted. Because compliance has grown more complex. And because institutions are realizing that operational excellence isn't about doing everything yourself. It's about doing the right things yourself—and partnering on the rest.

What the Data Shows



According to RBR's Global ATM Market and Forecast, the number of financial institutions outsourcing ATM operations has increased steadily over the past five years. In some markets, more than 40% of FIs now outsource some or all aspects of ATM management—from cash handling and compliance to full-service ATM-as-a-Service (ATMaaS) agreements.

Industry data, public filings, and service models across the sector reflect this shift. The move toward outsourcing is being documented, debated, and detailed in reports, case studies, and strategic outlooks from institutions large and small. A consistent theme has emerged: ATMaaS is not an experiment. It's a response to financial, regulatory, and operational realities.

This is not about competitors—it's about consensus.

Peer Behavior Is Shifting

When your peers move, it creates permission. Financial institutions that may have hesitated five years ago are now engaging outsourcing discussions proactively. And the shift isn't limited to large banks. In fact, it's often regional banks and credit unions that lead the charge—they have the most to gain by freeing up resources and focusing on differentiators.

Outsourcing ATM operations allows them to:

- Reallocate budget from maintenance to member experience
- Simplify vendor management
- Improve uptime and reliability
- Reduce compliance exposure
- Respond faster to technology upgrades and market expectations

This is no longer a fringe strategy. It's a response to real pressures in the market—from rising fraud risk to decreasing branch traffic to shrinking IT bandwidth.

A Tipping Point

The move toward ATMaaS is more than a trend. It's a tipping point. And like most tipping points, those who recognize it early have the most to gain. They're not just saving money or reducing burden—they're repositioning their institutions for agility, simplicity, and long-term resilience.

For every bank or credit union considering the future of their ATM fleet, the question is less about whether ATMaaS is viable. The question is: How long can we afford not to explore it?
Because when the market speaks, it rarely whispers.

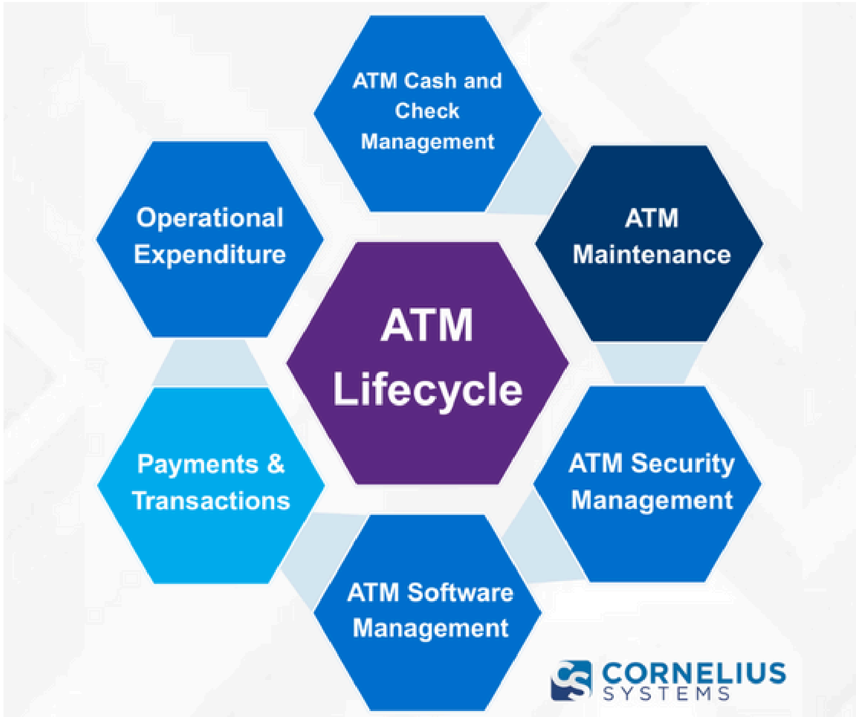
SECTION 3: What ATMaaS Really Means (Done Right)

Subtitle: Not Just a Contract—A New Model for Efficiency and Control

ATM-as-a-Service isn't just a buzzword. And it's not just a billing shift from CapEx to OpEx. When done right, ATMaaS is a reimagining of how institutions approach availability, compliance, service, and customer experience at the self-service channel. It's not about giving up control—it's about gaining focus.

Let's start by defining the term clearly. ATMaaS means that a third-party provider owns, manages, services, and supports your ATM fleet under a single agreement. It typically includes the hardware, software, cash loading, monitoring, regulatory compliance, repair, upgrades, and vendor coordination. In other words, the provider becomes accountable for everything that happens from the keypad to the cash cassette.

But not all ATMaaS models are created equal. And that matters.



The Hallmarks of Real ATMaaS

A 2023 report by RBR Data Services found that nearly 45% of new ATM outsourcing contracts now include full lifecycle services, up from 29% in 2019. That trend reflects demand for true ATMaaS—not just piecemeal support.

Done well, a full ATMaaS program includes:

- **Ownership & Lifecycle Management**
- **End-to-End Maintenance & Monitoring**
- **Regulatory Compliance Built In**
- **Cash Loading & Forecasting**
- **Software & Security Updates**
- **Clear SLAs, KPIs & Accountability**

Freedom Through Partnership

ATMaaS isn't about shifting responsibility—it's about unlocking bandwidth. Institutions that embrace this model consistently report improved resource allocation. According to a 2022 Cornerstone Advisors study, banks that outsource ATM operations free up an average of 1,000–1,500 staff hours annually.

Why the Details Matter

The term "ATMaaS" gets used loosely. Some vendors offer it as a bundled billing model. Others provide only partial services. The difference lies in:

- Who owns the hardware?
- Who monitors and resolves issues?
- Who takes regulatory liability?
- Who controls cash forecasting and replenishment?
- Who tracks KPIs and enforces service credits?

Looking Ahead

Done right, ATMaaS enables institutions to modernize self-service delivery while protecting capital and freeing internal teams.

SECTION 4: Beyond the ATM – The Power of One Vendor

Subtitle: Simplifying Branch Operations Through Integrated Support

ATMaaS is a powerful first step—but it's just that: a step. The real opportunity lies in what comes next. What if the same model that streamlines ATM management could extend across the entire branch technology stack? More and more financial institutions are asking that question—and finding real advantages in vendor consolidation.

From Fragmentation to Focus

The traditional approach to branch technology is fragmented. One vendor for ATMs. Another for recyclers. A third for currency counters. Then come the smart safes, locks, coin wrappers, and middleware. Each with its own contract, service model, and support structure.
The result? Complex project management. Siloed service calls. Redundant training. And far too many meetings that start with, "Whose issue is this?"

Consolidating to a single vendor reduces that complexity. It gives institutions:

- **One point of contact** for everything from hardware lifecycle to software patches
- **Coordinated implementation** across all self-service and teller automation assets
- **Streamlined compliance support**, especially across cash-handling and audit-sensitive endpoints
- **Consolidated reporting** for better decision-making

According to a 2023 study by Celent, institutions that reduce their branch technology vendors from five or more to two or fewer see a 22% average reduction in downtime-related incidents and a 15% improvement in service ticket resolution time.

Teller Cash Recyclers: The Heart of Modern Branch Efficiency

Teller cash recyclers (TCRs) have become the backbone of branch efficiency, enabling faster transactions, fewer dual controls, and improved cash security. But their value depends on reliable service, effective integration, and proactive monitoring.

A unified support model ensures:

- **Realtime device alerts** to resolve jams or faults before they impact customers
- **Automated balancing and reconciliation** tools that feed directly into core and teller systems
- **Shared forecasting data** that connects recycler and ATM usage for smarter vault cash planning

When your ATM and TCR are supported under the same agreement, coordination improves, downtime drops, and cash operations become more precise.

Currency Counters and the Hidden Costs of Complexity

Currency counters may seem simple, but they're critical to teller accuracy and branch throughput. When these devices fall out of sync—whether through poor calibration, inconsistent service, or patchy integration—they introduce inefficiencies that ripple across operations.

Consolidating service under a single vendor ensures:

- **Standardized maintenance schedules**
- **Fast part replacements and accurate diagnostics**
- **Streamlined employee training** with fewer user interfaces to learn
- **Proactive alerts** for jams, miscounts, or hardware wear

In short, every device that touches cash should be part of a connected, data-informed support strategy.

A More Intelligent Branch

When ATMs, recyclers, counters, locks, and software are supported under one umbrella, opportunities for integration multiply:

- **Cash forecasting models** that work across ATMs and recyclers to reduce idle inventory
- **Unified dashboards** to monitor uptime, fault alerts, and replenishment needs
- **Shared training protocols** across devices, reducing onboarding time
- **Consistent compliance tools** across channels

This level of integration isn’t just operationally elegant—it’s increasingly necessary. As branches become leaner and more digitized, tech reliability and interoperability become mission-critical.

Strategic Agility

Vendor consolidation doesn’t mean settling. It means aligning with a partner that brings scale, accountability, and insight across your entire cash and automation environment. It means fewer silos, faster responses, and better alignment between your equipment investments and your service expectations.

It also allows your internal teams to spend less time on vendor management and more time on strategic priorities—whether that’s designing a modern branch layout, rolling out new digital services, or improving customer journey metrics.

The Right Partner Makes It Possible

Not every provider can deliver both ATMaaS and comprehensive branch equipment management. But the ones that can offer more than efficiency—they offer continuity, clarity, and long-term strategic alignment.

This isn’t about bundling services. It’s about building a smarter, more responsive institution.

Because when every branch device is working together—and supported by a single team that understands your business—what you get isn’t just simplicity. You get performance.

SECTION 5: Objections and Misconceptions

Subtitle: Addressing the Doubts that Hold Institutions Back

ATMaaS may be gaining traction, but hesitation still exists. And rightly so. Financial institutions are built on prudence. Skepticism is a feature, not a flaw. But many of the concerns surrounding ATMaaS come from legacy thinking—habits formed in an era when in-house control equaled operational confidence.

Now? That equation no longer balances. Let’s explore the most common hesitations—and reframe them with modern insight.

"We’ll lose control."

The worry: Handing off ATM operations means surrendering visibility, flexibility, or authority.

The reality: ATMaaS doesn't eliminate control—it redefines it. Instead of chasing down vendors and troubleshooting issues on the fly, you manage through SLAs, dashboards, and proactive performance reviews. You're still in the driver's seat—you've just upgraded the vehicle. Most institutions that make the shift report greater visibility into uptime, service trends, and compliance metrics than they had before.

"We already have vendors for these services."

The worry: Why change what isn't broken?

The reality: Having multiple vendors often masks the real inefficiencies. You might have one vendor for cash loading, another for maintenance, another for monitoring, another for software—and when something breaks, no one raises their hand. ATMaaS simplifies the entire equation: one relationship, one accountability structure, one bill. That consolidation isn't just about cost—it's about removing complexity that steals time and creates blind spots.

"It's just renting."

The worry: This is a lease with lipstick.

The reality: Leasing gives you hardware. ATMaaS gives you outcomes. A true managed service covers everything from installation and software compliance to cash management, help desk, end-of-life planning, and reporting. The point isn't whether the ATM sits on your books—the point is whether it's up, secure, and delivering value to your customers without becoming a distraction to your team.

"Our team can handle it."

The worry: Outsourcing implies the internal team isn't up to the task.

The reality: This isn't about whether your team can do it. It's about whether they should. ATM fleet management requires a strange combination of disciplines—networking, compliance, vendor oversight, customer service, cash forecasting, hardware troubleshooting. It's a lot to ask of any IT or ops leader. ATMaaS doesn't displace your people. It unlocks their focus.

"We're not ready."

The worry: Transitioning will be painful or risky.

The reality: A strong ATMaaS partner leads with planning—not pressure. The right approach includes phased rollouts, collaborative testing, and fallback protocols. Done right, it feels less like a leap and more like a handoff—strategic, measured, and aligned to your internal cadence.

Hesitations like these don't come from nowhere—they come from a long history of doing things a certain way. But banking has changed. Expectations have changed. And in many cases, these doubts are rooted in outdated assumptions that quietly drain time, resources, and focus.

ATMaaS isn't about disruption for disruption's sake. It's about clearing away the operational noise that's built up over decades—so your team can focus on the work that truly moves your institution forward.

So the real question becomes: *Why continue managing a function that no longer delivers strategic value when a better alternative exists?*---

These aren't just objections. They're questions worth asking. But when you peel them back, most are rooted in assumptions that haven't aged well. The landscape has changed. The expectations have changed. And with the right partner, the risks of staying the same now outweigh the risks of moving forward.

So the question isn't just: "*Why ATMaaS?"*

It's: *"Why not?"*---

These objections come from a place of caution—which is appropriate in banking. But they often rest on assumptions that no longer hold up. The real question isn't whether you can manage your ATM fleet.

It's whether you still *should*.

SECTION 6: Choosing the Right Partner

Subtitle: What to Look for—And What to Avoid

Selecting an ATMaaS provider isn't a procurement exercise—it's a strategic inflection point. When a financial institution chooses to outsource, it does more than offload hardware. It entrusts a partner with customer touchpoints, compliance exposure, and brand reputation. And in that trust lies the difference between transformation and disruption.

A true partner doesn't just meet the RFP requirements. They help rewrite them. The best ATMaaS relationships begin not with a quote, but with a conversation—one that uncovers inefficiencies, challenges assumptions, and builds toward shared outcomes. When that happens, cost savings become a byproduct—not the goal.

In evaluating providers, financial institutions should focus on five dimensions: expertise, integration, transparency, vision, and trust. These are not boxes to check. They are characteristics of alignment. Let’s unpack each.

Expertise with Financial Institutions

An ATMaaS provider must understand what it means to serve a regulated industry. This includes fluency in PCI DSS, FFIEC cybersecurity guidelines, ADA accessibility, and the nuances of Regulation E error resolution. Firms like Gartner emphasize that industry vertical expertise correlates strongly with long-term performance and client retention. Without this context, even the best-intentioned provider becomes a liability.

Integrated Support for Cash Ecosystems

The future of the branch lies in smart integration—not siloed service. Teller cash recyclers, coin wrappers, and currency counters are not just peripheral equipment. They are core to efficient cash flow and branch automation. According to RBR, banks that consolidated service contracts across these devices saw a 30% reduction in truck rolls and a marked increase in uptime—proof that a holistic approach delivers operational dividends.

Transparent and Predictable Pricing

Cost certainty is more valuable than a low price. An ideal ATMaaS partner offers bundled, easy-to-model pricing with performance SLAs that tie payment to delivery. Surprises—especially those buried in service terms—erode trust. In contrast, providers that align incentives with your outcomes demonstrate not just competence but accountability.

Forward-Looking Strategy, Not Static Support

Great partners don’t ask what you need now. They anticipate what you’ll need next. Whether it's preparing for operating system sunsets, integrating new authentication technologies, or scaling for deposit automation, your vendor’s roadmap should enhance—not limit—your agility. If their strategy doesn't extend three years out, it's not a strategy. It's a support plan.

A Relationship Built on Evidence and Curiosity

References are good. Outcomes are better. Ask how they helped a similar institution reduce fraud. Ask for KPIs from customers who switched from multi-vendor chaos to single-provider simplicity. Ask how often they initiate performance reviews—not just respond to issues. The answers will reveal whether this is a vendor waiting to be told what to do or a partner already thinking about what comes next.

At its core, ATMaaS is about liberation. Done right, it frees institutions from maintenance minutiae and redirects attention to what matters most—serving members, driving deposits, and innovating responsibly.

As Warren Buffett put it, “Price is what you pay. Value is what you get.”

And value—in this context—is measured not in features, but in foresight, fluency, and follow-through.

Choose the partner who helps you lead, not just operate.

SECTION 7: The Strategic Impact

Subtitle: From Operational Relief to Institutional Advantage

ATMaaS is not just a cost-control maneuver—it’s a reallocation of strategic focus. By removing the burden of infrastructure management, financial institutions free up capital, time, and organizational bandwidth to focus on what actually moves the needle: innovation, service, and competitive agility.

In the legacy ATM ownership model, institutions spend disproportionate energy on logistics: hardware procurement, compliance updates, downtime triage, and vendor coordination. These are not insignificant tasks—but they are distractions from value creation. In an era where agility is the competitive currency, clinging to these operational burdens is a luxury few can afford.

When ATMaaS is done right, it reshapes what a financial institution can focus on:

- **Strategic redeployment of staff:** Internal resources move from troubleshooting to transformation. Teams that once tracked replacement parts can now focus on customer journeys, digital integrations, and revenue opportunities. According to a 2023 study from Accenture, banks that reallocated operations headcount post-outsourcing reported up to 15% faster execution on digital initiatives.

- **De-risking the balance sheet:** CapEx becomes OpEx. Institutions gain predictability, reduce depreciation tracking, and simplify financial modeling. It’s an accounting change that enables strategic clarity. Moody’s has noted that operational expense models often correlate with greater agility during economic shifts, especially for mid-sized FIs.

- **Accelerated deployment of modern services:** Want to roll out image deposit? Add contactless readers? Shift from drive-up to walk-up units? ATMaaS providers handle roadmap alignment and transitions that previously took months—or years. The shift enables institutions to move at the pace of customer expectations, not vendor timelines.

- **Enhanced brand touchpoints:** For many institutions, the ATM is still the most visible 24/7 service. When it's branded, functional, and consistently available, it signals competence. When it's outdated or down, it reflects neglect. ATMaaS helps transform this frontline channel from a liability into a competitive asset.

The most profound benefit, though, is psychological. Institutions that embrace ATMaaS experience a shift in mindset—from reactive firefighting to proactive planning. That's when real transformation begins. As internal bottlenecks clear, leadership begins to imagine new growth pathways, digital extensions, and ecosystem plays.

Pairing ATMaaS with comprehensive branch support—teller recyclers, currency counters, and smart safes—extends the effect even further. It eliminates the friction of multi-vendor support, shrinks audit prep time, and aligns service levels across the entire physical network.

To quote an insight from Bain & Company's retail banking research: "Operational excellence isn't just cheaper—it's the foundation of strategic optionality."

ATMaaS, in this light, is not a maintenance solution. It's a competitive strategy.
And for institutions bold enough to reimagine what they don't need to do, it's the fastest path to what they can become.

CONCLUSION: Why Not Now?

ATMaaS isn't a leap of faith—it's a step into alignment. At a moment when institutions are under pressure to modernize, streamline, and grow without adding complexity, this model answers a pressing question: how do we do more without doing it all ourselves?

The outdated model of ATM ownership once made sense. Capital was cheap, technology cycles were slow, and internal control felt synonymous with safety. But the world has changed. Technology accelerates. Compliance intensifies. Customer expectations don't just rise—they diversify. And every hour your team spends managing infrastructure is an hour not spent on innovation, growth, or service.

ATMaaS presents a chance to take that complexity off the table. Not as a cost-cutting tactic—but as a strategy to build simplicity into your operations and intention into your priorities. When infrastructure is streamlined, internal energy becomes focused. When vendors are aligned, outcomes become measurable. And when the right partner is in place, accountability becomes a shared advantage—not an internal burden.

Throughout this whitepaper, we've presented the case for change:

- The mounting inefficiencies of traditional ownership
- The unmistakable trends shaping industry behavior
- A clarified definition of ATMaaS—not as marketing jargon, but as a service model with teeth
- The broader value of vendor consolidation beyond the ATM
- A reality check on objections and myths
- A framework for selecting the right partner
- And a roadmap toward strategic transformation, not just operational relief

So what's left?

Only the willingness to ask the right question—not "Why outsource our ATMs?" but "Why wouldn't we?"

ATMaaS is not about losing control. It's about regaining focus. It's not about cutting corners—it's about sharpening them.

There's nothing passive about this decision. It's bold. It's calculated. And for institutions navigating rising expectations with shrinking margins, it's one of the clearest steps you can take toward long-term clarity and competitive resilience.

And for institutions ready to lead with clarity and agility, it's not just a good idea.

It's overdue.