

## Diebold Uses Ebook To Help Plug Its Outsourcing Business

By Frederick H. Lowe

DIEBOLD INC., WHICH IS EMPHASIZING contracts for ATM-management services over sales of its ATMs, has published an eBook reference guide for financial institutions. The publication explains the advantages of outsourcing at a time when institutions may be looking for ways to reduce capital expenditures.

North Canton, Ohio-based Diebold recently e-mailed its Outsourcing eBook to financial institutions on six continents, Keith Lewis, Diebold director of software and services, tells *ATM&Debit News*. "We are trying to educate customers about the advantages of outsourcing services, and we hope they will choose outsourcing services from us," Lewis says.

The ATM maker's link [www.dieboldoutsourcingguide.com](http://www.dieboldoutsourcingguide.com) takes users to the eBook.

Diebold translated the eBook into Spanish. The company selected the eBook format because it provides customers and potential customers with an interactive

resource guide that enables individuals to move quickly through the materials, Lewis says. Customers also can view the eBook using portable electronic devices, such as laptop computers and personal digital assistants, or PDAs.

Diebold, the world's third-largest ATM manufacturer based on 2007 shipments, is emphasizing value-added services over products to distinguish itself from competitors NCR Corp. and Wincor Nixdorf AG, Thomas Swidarski, Diebold president and CEO, told analysts in September at an investment community conference Web seminar.

"Our competitors are emphasizing products, and we are emphasizing value-added services," Swidarski says. Dayton, Ohio-based NCR is emphasizing that it is a low-cost manufacturer, Bill Nuti, the company's chairman and CEO, out-

lined at the NCR Analyst Day conference last December.

On the other hand, Paderborn, Germany-based Wincor Nixdorf is pushing advances in technology to grow market share. At Wincor World 2009, the company's three-day cus-



Keith Lewis

tomers exhibition that opened Tuesday in Paderborn, the company's theme for the show was "Strengthening Competitiveness Through Innovation."

Diebold's outsourcing business is comprehensive. If a financial institution selects Diebold as its outsourcing partner, Diebold could manage the bank's or credit union's ATM network, find locations for new ATMs and ensure the ATMs have cash, says Gil Luria, an analyst with Wedbush Morgan Securities in Los Angeles. "It is one of Diebold's most-important initiatives because it gives the company a larger share of the bank's wallet, and outsourcing can grow revenue much more rapidly than deployment of ATMs," he says.

Indeed, all ATM manufacturers should become involved in outsourcing to counter flat ATM sales, observers say.

"Although the ATM-replacement rates haven't taken a major dip yet, all of the manufacturers will need to rely on other lines of business to supplement ATM sales going forward as the market matures," says Nicole Sturgill, research director of delivery channels for TowerGroup Inc., a Needham, Mass.-based consulting firm.

"Diebold has a very strong outsourcing campaign right now which will complement its ATM sales," Diebold executives and industry observers believe the Troubled Asset Relief Program will spark more outsourcing, particularly in the United States, because companies want to control capital expenditures.

"That's what we also predicted in our 2009 projections," says Jagdish Dalal, managing director of The International Association of Outsourcing Professionals, which is based in Poughkeepsie, N.Y. The Trouble Asset Relief Program allows the U.S. Treasury Department to purchase nonliquid, difficult-to-value assets from banks and other financial institutions.

"The top two business drivers for banks in 2009 will be deposit growth and capital conservation," TowerGroup's Sturgill says. "This will result in reduced capital spending, but that doesn't mean that banks

can afford to sit still and make no investments in infrastructure. One of the options that will allow banks to continue to innovate will be initiatives such as outsourcing and software as a service that moves expenditures from capital expenses to operating expenses." **ATM**

