

FAILED CONSUMER INTERACTION (FCI) SERVICE DELIVERY MODEL

Rethinking ATM availability as a measure of success



Most ATM managers judge their effectiveness by measuring ATM availability, which is commonly defined as the percentage of time ATMs can accept and/or dispense cash.

Availability is strictly based upon the number of minutes an ATM was down in a 24-hour period. This measure does not take into account the value of usage (high or low) during specific time periods. In order to truly measure the impact of lost business opportunities, a more accurate measure would be to look at failed consumer interactions uniquely over a 24-hour period where consumers are most impacted.

How many transactions is the consumer not able to complete? How does this impact the Financial Institution's (FIs) brand, and what was the subsequent impact on consumer acquisition and retention costs?



For more information, visit us at ncr.com/financial, or email Services.Financial@ncr.com



Market Validation

According to a research study by Level Four, 28 percent of U.S. survey respondents stated they would be very likely to switch banks if they experienced recurrent instances of ATM unavailability.

The results are comparable to similar surveys from 2011 that found 38 percent of U.K. consumers and 70 percent of French consumers would consider swapping banks because of faulty ATMs. This would indicate failed consumer interactions have a direct correlation to consumer loyalty.

There is an emergence of a clear demand from FIs to obtain a more complete view of their consumer facing channels' performance, in an effort to achieve significant advances in availability, consumer experience and business performance and productivity. Executives at some of NCR's leading customers express similar opinions.

BANK'S CONCERNS

"Outages during peak hours reduce capacity when my customers need it most"

"When there is a problem I need it resolved in the most efficient way possible"

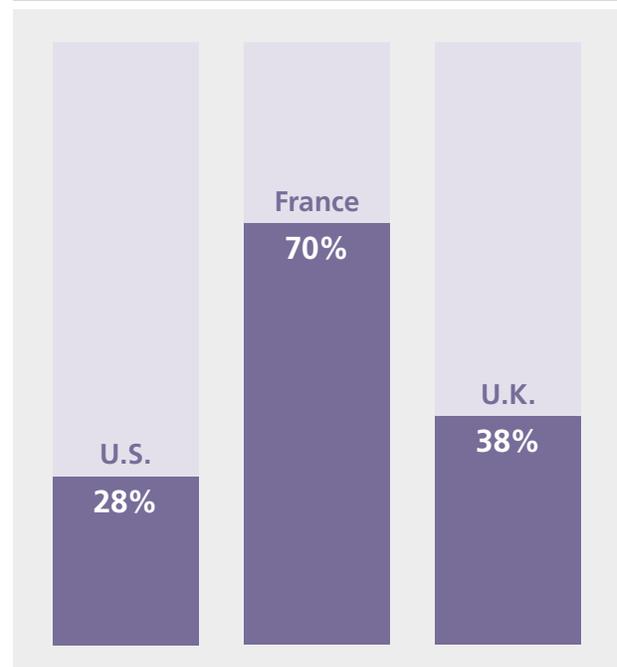
"Having a terminal unavailable reflects poorly on my brand"

FCI Objective

Each consumer is important, and each transaction they perform has an impact on the FI's bottom line. Therefore, the focus should be on the power of each individual consumer and the transaction they perform...when, where and how frequently. All ATMs within a defined Service Level Agreement (SLA) are not equally important, therefore there is a need to take their location and transaction volume into account when measuring value. NCR FCI service methodology is a consumer-centric service delivery with the goal of maximizing the amount of successful consumer interactions performed at any of the FI's self-service devices.

This is performed through transformation, by aligning the support services to the FI's business practices that address their retail banking tactical and strategic concerns. This business model is centered on customer-relevant metrics such as failed consumer interactions rather than the traditional break/fix model built around a respond/resolve SLA metric that is not sufficient to fully support the FI's strategy of maximizing consumer satisfaction.

Would switch banks if recurrent ATM unavailability



CUSTOMER ENGAGEMENT

1. Business Modelling 2. Success Alignment (SLA) 3. Contractual Components 4. Piloting Baseling

(A) ATM Prioritization	(B) Intelligent Dispatch	(C) Call Management	(D) Performance Measurement	(E) FCI Analytics
<ul style="list-style-type: none"> Entitlement system (tiers, impact to FCI) Installation/move/add/change management Periodic tier adjustments 	<ul style="list-style-type: none"> Auto scheduling cost parameters integration Dispatch based on greatest impact to FCI 	<ul style="list-style-type: none"> Parts suspend management Premium end-to-end call support Field managing to same consumer criteria 	<ul style="list-style-type: none"> APTRA™ Vision with FCI analytics module Metric generation (non-Vision) Gradual performance measurement, such as time of day and day of week 	<ul style="list-style-type: none"> Continuous improvement analytics Total ATM network improvement opportunity Integration of predictive versus reactive call support

FCI OPERATIONAL FOUNDATION

1. Staffing 2. Parts/Logistics 3. Standards

Service Delivery Model Framework

The success of a FCI service delivery model relies wholly on the implementation of a model which will deliver greater levels of focus to the FI's highest priority ATM locations. This will allow FIs to apportion appropriate service levels to higher transacting ATMs within the estate, at the right times of the year and possibly even at the right time of day. Implementation is achieved using a number of drivers; from the way parts are stocked, technicians dispatched, real-time monitoring of consumers impacted and priority management of specific work orders.

(A) ATM Prioritization: Targeted ATMs will be allocated into specific tiers as part of the FI's estate initial setup based on the weighted importance of the FI's business priorities and their retail banking strategy.

(B) Intelligent Dispatch: The service operational model focuses on directing Customer Engineers (CEs) to address conditions where there is the largest potential impact of reducing FCI. Work orders are dispatched to the field in a prioritized manner for the specific customer and their respective estate.

The first opportunity begins with ATM Segmentation		
PLATINUM (20%)	GOLD (60%)	SILVER (20%)
<ul style="list-style-type: none"> Highest transaction volume/business critical Maximum opportunity to reduce FCI, highest availability during peak times 	<ul style="list-style-type: none"> Medium transaction volume/business urgent Average availability during peak times 	<ul style="list-style-type: none"> Low transaction volume/non-business urgent Minimum opportunity to reduce FCI, average availability during peak times

(C) Call Management: The standard NCR call management will apply to all work orders across all tiers of service. In addition, all Platinum work orders and select Gold (based on time) will receive an end-to-end call management supervision through NCR's White Glove Team. This team will monitor all work orders to enhance the ability to close calls within the designated resolution timeframe.

(D) Performance Measurement: The measurement system for FCI provides a real-time, rather than a reactive, view of the estate's performance. FCI will be monitored using three metrics: Cumulative FCI, Cumulative FCI% and Hard Fault FCI%. To understand the performance and drive the improvements required under the FCI service delivery model, the following supporting metrics will be tracked and managed: MTTR, SAKT, and F'1000T. The traditional response/resolve metrics will continue to be tracked but will not be included as an FI contractual element.

PRIMARY	
HF FCI %	Failed consumer interaction hard fault%
SUPPORTING	
F'1000T	Failures per 1000 transactions
SAKT	Service actions per 1000 transactions
MTTR	Mean time to repair
HF Avail %	Hard fault availability %
Avail %	Overall availability %

Why NCR?

NCR Corporation (NYSE: NCR) is the global leader in consumer transaction technologies, turning everyday interactions with businesses into exceptional experiences. With its software, hardware, and portfolio of services, NCR enables more than 550 million transactions daily across retail, financial, travel, hospitality, telecom and technology, and small business.

NCR solutions run the everyday transactions that make your life easier. NCR is headquartered in Duluth, Georgia with over 30,000 employees and does business in 180 countries. NCR is a trademark of NCR Corporation in the United States and other countries.

(E) FCI Analytics: The SLA change to FCI is a significant paradigm change and will require continuous focus on root cause analysis. To identify actions for reducing FCI requires cross-functional disciplines and key individuals from the FI. The critical influencers to analyze and drive actions to minimize FCI% are shown in this table.

Critical Influencers:

- Transaction volume
- Chronic ATMS
- Module type
- Outlier (extended down time)
- Respond/resolve time
- First visit resolution

FCI Calculation and Reporting

The FCI calculations and reporting will be performed in an automated manner using NCR's ATM monitoring technology which has an integrated FCI module. The output from this tool is a graphical representation of the metric performance. In addition, a data file can be extracted into Excel and customized to support analytics requirements of various FI entities. Trending charts will be provided for FCI%, MTTR, SAKT and F'1000T. The FCI module integrates time of day, day of the week and the subsystem to calculate the most accurate performance results.

FCI Service Model Transition Steps

Implementation of this methodology with the FI follows these simple steps:

- Identify the peak transaction times and days/dates. Typically two peak times per day and four days of the week.
- Identify ATMs that must be on an aggressive plan to minimize FCIs. These are typically sites that are high volume or high visibility.
- Set a goal for FCI as a percent of all transactions. Expected to be between two to five percent.
- Overlay faults by day of week and time of day. Expect faults and transaction volumes will peak in unison.
- Overlay replenishment schedules on peak transaction times. Schedule replenishes to arrive prior to peak transactions times.
- Ensure updates and maintenance occurs during off hours.
- Use predictive fault isolation capabilities. Shift from "fix it when it breaks" to addressing issues before they happen.
- Track, track and track again. Are peak times changing and are the SLAs still appropriate?

NCR's Failed Consumer Interaction service model helps an FI pinpoint their most critical ATMs, keep them online and retain their most important assets...THE CONSUMER.

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