

ATLANTA BUSINESS PUBLICATION EXECUTIVE INTERVIEW SERIES

An interview with James KilKelly, CEO of Tellerex, about the expanding role of ATMs in strengthening the customer experience.



KilKelly, a 20+ year serial entrepreneur, is a World Economic Forum Young Global Leader award winner. James's life-long passion is building connections and creative client solutions. Before starting Tellerex, James held leadership positions within several Fortune 500 companies.

ABP: James, what was it over seven years ago that led you to strike out on your own with Christian Ranke, and create Tellerex?

KilKelly: I would say it had to do with the evolution of the ATM, which became part of the American landscape in the 1970s. Since its introduction, the ATM didn't evolve for a long time. However, over the last decade, there's been a growing demand to push the evolution of ATMs. But, when we looked around at our partners, we found there very few companies that recognized this – and even fewer prepared to fill the void created by this evolving need!

ABP: So, how would you describe this evolution?

KilKelly: Well, it's no longer enough for the ATM's primary purpose to dispense cash. Changing customer expectations and an increase in the

competitive marketplace are forcing banks to offer innovative experiences. And one of the frontiers for this transformation is ATMs - which are creating more significant engagement with customers and generating long-term loyalty.

ABP: How can ATM's do that? It's just a machine.

KilKelly: <laughing> Sure, you're right, the ATM is 'just a machine.' But it's based on technology that's evolving at light speed. There's a pretty incredible principle, Moore's Law, which suggests our processing speed for computers (and everything associated with these networks) doubles every 18 months. So, when you think about the fact that ATMs have been around for nearly 50 years, in my mind, it's well beyond time for our expectations of these 'machines' to shift. And they are!

“When you think about this, you quickly realize that the old metrics for measuring ATM profitability—revenue per machine, transactions per machine, etc.— no longer apply in this world.”

ABP: Yeah? In what way?

Kilkelly: So, not only are the components inside the ATM getting faster and more complicated, but our integration of these systems is becoming more complex. By removing the silos which built up over decades, ATMs are now considered a critical channel in any financial institution's marketing efforts. The amount of information a bank can integrate and turn into a real-time offer (on the fly!) for another bank's customer is astonishing! And those that are taking full advantage of these opportunities are winning the battle for customers in the marketplace!

Quite simply, if you're a bank executive and not demanding more of your ATM's, you're leaving significant opportunity to grow your business on the table – and someone else is taking it from you!

ABP: How else are ATMs evolving?

Kilkelly: Well, it's not just how we're connecting ATMs to additional data streams, but its also the way we're removing the barriers to its usage. By using NFC-capable, contactless cards, and integration with mobile and digital technology, we're making the ATM transaction faster. And doing so fulfills two fundamental demands in today's marketplace - convenience and simplicity!

ABP: But why would consumers have this evolving expectation? As you said before, they haven't changed much over the past 50 years.

Kilkelly: It's a product of the world today. Every experience a customer has in the marketplace, regardless of the company or industry, shapes the

expectation they have for their next system-interaction. And you better believe there's frustration when they're able to board an airplane using a mobile phone and facial recognition, but still need an ATM card to withdraw money.

ABP: Ah, ha! So, with that in mind, financial institutions who aren't demanding more out their ATM's today are, in essence, losing ground.

Kilkelly: Right! It's a classic example of the river's current moving the boat. So, if you're not actively pursuing this change, you're falling further behind. You might as well navigate to keep the ship out from the rocks!

ABP: That's an excellent analogy. So, is it just a function of adding new ATMs to your fleet? Is it that simple?

Kilkelly: Well, surprisingly, this doesn't always require a new fleet of ATMs. In many cases, most of the necessary updates can be made to existing units in conjunction with a unit refurbishment or simply updating a few critical parts of the ATM unit.

The more challenging component of this evolution is the need for financial institutions to embrace this new way of thinking. When you think about this, you quickly realize the old metrics for measuring ATM profitability no longer apply in this world. The effectiveness of an ATM fleet now becomes tied to more complex measures like cross-sales per machine and retention of users. Understanding these measurements ultimately enables better planning and execution.

ABOUT TELLEREX - Tellerex helps financial institutions reduce atm expenses, increase reliability through a lifecycle management process, and accelerate their fleets' contribution to the bottom line.

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