

## **New ATM Refurbishment Service pays-off**

**"We rely on Triage to do a good job and help us run our business. We now deliver a better service to our customer at a lower internal cost."**

**Manufacturing Director**

*The explosion of demand for convenience cash machines in supermarkets, hospitality locations, station forecourts and even pubs means ATM (Automatic Teller Machine) downtime is a critical issue for everyone, from card holders to the machine operators themselves. With ATM unit uptime such a significant commercial priority for the industry, this company wanted to adopt more than just a traditional 'break-fix' repair approach to managing its ATM service inventory. Working with Triage Services, the company was able to define a comprehensive refurbishment service tailored to its exact specifications. In just 12 months the service has helped to slash inventory costs and significantly boosted uptime across the UK-wide ATM estate the company maintains on behalf of its parent company.*

### **Benefits at a glance**

- Predictable, fixed repair and refurbishment charges for over 100 spares lines
- Reduced inventory holding by 30%
- Increased uptime across largest independent ATM estate in the UK
- Fully operational JIT inventory loop
- Increased meantime-before-repair on UK-wide ATM estate
- Reduced 'throw away' part/ module wastage to almost zero cost
- Unique quality management strategy delivers management intelligence
- Reduction in NCR spares purchasing by £100,000 per annum

### **Background**

The company is a long established cashless payment, access control and payment processing company. It provides a comprehensive managed service for ATMs which incorporates a customer help desk and a dedicated field engineering team.

The company — a market leader in the independent cash machine sector—undertakes the support and maintenance of an entire NCR ATM estate. As a leading independent deployer and operator of ATM's using the LINK network, the company has a total of 5,500 cash machines installed across the UK of which 2,500 are maintained directly. Each month these machines dispense more than £200 million and handle in excess of 3 million transactions.

"In an industry where every transaction counts, achieving 24x7 unit availability is a primary objective," explains the Manufacturing Director - "A single percentage point fluctuation in availability across the estate has devastating implications for our customer's business."

### **The challenge**

The commercial cost of ATM downtime means that the company wanted to proactively maximise availability of cash machines. However, maintaining an installed base of primarily NCR ATM equipment was proving costly in more ways than one. Each field engineer is issued an NCR car kit, and a full inventory of spares was held at the company's engineering and manufacturing centre for next day shipment. Faulty parts were returned from the field for repair or refurbishment but limited access to sub-module NCR parts meant disposal levels were unacceptably high, and maintaining turnaround on parts was challenging.

"Managing our own buffer stock represented a significant overhead in terms of internal engineering and technical costs," says the Group Purchasing Executive. "In addition, we were dedicating more and more space to storing and growing ATM spares inventory at what is primarily a manufacturing site for our other core system businesses."

The company wanted to rationalise its spares entire repair and management process, introduce efficiencies and ultimately reduce overheads for the ATM service business, and the Group Purchasing Executive reviews the challenges;

"We knew from past experience that sub-contracting field service on ATMs was a high cost option which had failed to deliver against our uptime KPI's. We needed to work with a partner that could help us add value to the inventory and enhance the uptime performance of installed equipment in the field."

### **The solution**

Triage's ATM Centre of Excellence at Houghton Regis is designed specifically to support ATM repairs management. With the ability to repair a broad spectrum of OEM ATM product, the Centre has capacity to support 2,000 repairs a month and undertakes ongoing research into upcoming ATM technology.

"We undertook a full technical audit of the Centre before commencing a trial period during which we entrusted Triage with 15 product lines. We monitored their processes and repair quality throughout this period before committing our whole inventory to them," confirms the Manufacturing Director.

The company undertook a bulk transfer of buffer stock items requiring repair to Triage. This immediately kick started the repair loop rationalisation programme which would help the company eradicate backlogs and reduce inventory levels. Together, management teams from Triage and the company defined the requirements for each module, ensuring every item sent for repair was simultaneously refurbished to the latest revision. This would proactively support the company's objective of reducing mean-time-between failure for ATM modules.

"We gained a fixed repair cost for standard repairs on all lines and now only have to intervene to manage exceptions, as identified by Triage," says the Group Purchasing Executive.

Today, the company undertakes a weekly shipment of parts direct to Triage for diagnostics, cleaning, repair, testing and refurbishment and stock is managed through the process in 5 days or less. The company also has online access to Triage's own web-based workshop management system. This gives the team at the company full visibility of all items held with Triage Services.

"We have instant online access to real-time reporting which means we can view product and its current status as and when we need," says the Manufacturing Director. "This makes proactive management of spares for the installed base a reality and means we can be highly responsive to our customer's needs."

Because each component is bar coded by Triage as part of its repair warranty package, the company now has a full history on every part. Any 'out of the box failure' can be analysed and the company's quality team works closely with Triage's quality team to undertake full fault management analysis on all electro or mechanical failures. This quality management system has enabled the company to manage parts issues better and identify where workaround solutions need to be jointly developed with Triage.

In November 2006; all warehousing, procurement, planning, logistics & engineer boot replenishment was outsourced to Triage, reflecting the professionalism and true understanding of our business from this strategic partner.

### **The benefits**

The new partnership has generated significant gains for the company, as the Group Purchasing Executive explains;

"In just 12 months we've reduced our inventory levels by 30% and cut our spares spend with NCR by 50% which represents annualised savings of around £100,000" he says. "We took a commercial decision not to undertake repair of our spares inventory in-house and it has paid off in terms of cost savings and reduced logistics overheads."

Faster turn around of repairs means the company is now able to operate a JIT approach to spares management, removed the burden of investing in engineering and gained value-added management information on the repair inventory. Together, these have helped the company to significantly enhance its service delivery to customers.

"Our engineering and quality departments work in tandem, and together we've been able to generate increased uptime across the entire ATM installed base," confirms the Manufacturing Director. "As a result we proactively manage the installed base, adopting a preventative maintenance approach to the company's ATM estate. We now deliver a better service to our customer at a lower cost."

There have been other commercial gains, as the Manufacturing Director explains;

"Working with Triage has enabled us to focus on our core cashless payment, access control and payment process solutions and to dedicate our expertise to these areas and leave the logistics, planning, procurement and repair to the experts."

ENDS

### **Notes for editors**

Triage Services is the UK's leading independent provider of outsourcing and managed repair solutions to the IT service sector. It provides total service solutions for the repair and re-utilisation of ATMs, barcode scanners, networks, desktop products, notebooks and PDC equipment and offers both system integration and consultancy services. Its subsidiary, Triage-Orderlogic, is established as a leading UK provider of support services for automatic identification and data capture (AIDC) technologies.

### **Further information can be obtained from:**

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