



Pressure Test Your ATM Windows 10 Migration Plans



An NCR Briefing Paper

Is the industry at an inflection point?

The global ATM industry is again at an inflection point with the ending of support for Windows 7 on 14 January 2020. Of the roughly 3.4 million ATMs in operation today, Windows 7 OS represents 75% of the global ATM network, so this is no small event. Unlike the shift from Windows XP to Windows 7, the move to Windows 10 not only feels different—it is different.

*This time it's not just about software that optimizes your machines; it's about optimizing the experience of your **customers**.*

That's because consumers today have very liquid expectations. If they have a great experience in one area of their lives, that quickly becomes their personal measure of experience in every area. And that includes banking. This has accelerated the need for seamless experiences across digital and physical channels.

The financial institutions that compete and win are the ones who know to differentiate on customer experience. So, it's no surprise that tension metrics like Net Promoter™ (NPS), Customer Effort Score (CES) and Repurchase Intention (RPI) increasingly direct where the money goes.

Those who fail to leverage their ATM channel not just as a digital touchpoint but a differentiator will face higher transaction costs and stagnation when they should be moving their routine, low-value transactions from their tellers to self-service. Having a fully supported, secure and compliant OS is the building block for this; it's fundamental to delivering experience-driven ATM interactions.



"In the experience economy NCR has transformed the ATM into a key digital touchpoint. Our continuing close partnership with Microsoft supports us to shape, innovate and lead the future of the ATM industry."

- Terry Duffy, GM Software, NCR



"Changes and upgrades in technology are required to provide the most secure and innovative user experience. There's never been a better time for our Windows Embedded 7 customers to start putting in motion the things they need to do to get modern. Windows 10 IoT not only offers customers the most productive, more secure computing experience, it also saves IT time and money so they can focus on driving business results. For banks, migrating to Windows 10 IoT will be an important step as modern ATM software will help enhance the consumer experience and help their business stay secure and competitive in the digital-first landscape."

- Rodney Clarke, VP IOT and Mixed Reality Sales, Microsoft

So, what is your real deadline for migrating to Windows 10?

This paper will help you pressure test your current approach, pose questions and then, in partnership with Microsoft, debate and showcase best practice approaches for how, and when, to migrate.

But first:

The official deadline for Windows 7 Embedded End of Support is January 14, 2020.

Do you want to leave it this late? Are you sure?
Let's pressure test this. We'll get granular and start with January 14, 2020, working backwards.

January 6, 2020 – The first Monday of 2020

Likely, you have a full software deployment and ATM network team freshly back from New Year vacation. How much of their first week will they probably spend resolving minor issues and tickets left over from the end of December 2019, and catching up? Could this be your team? If so, have you pulled your team leads together to discuss and adjust vacation schedules, and factored them into the planning cycle?

December 16, 2019 – Last full week of 2019

You're probably in that peak period where staff are scheduling vacations. Are they planning to be down to a skeleton crew like in previous years? Like many IT shops, this is the norm, with team members rotating through different customs, practices and PTO days throughout the festive period. If this sounds like your team, you definitely want to start thinking about making your deadline much earlier than mid-January.

November 14, 2019 – Two months before the official date

For most banks, this is the milestone to hit in the planning cycle calendar. After November 14, no further release updates should be scheduled to the ATM networks; with the festive period looming, they're entering peak demand for cash and transactions.

Availability and access to cash is key. These limits are designed to minimize disruptions that can result from issues with updates to both hardware and software, as well as downtime associated with performing the updates.

In short, any intervention during this peak period could impact network efficiency and, ultimately, transaction cost and consumer satisfaction. On what date does your own release black-out start? Have you factored this into your migration plan?



The inflection point is here but the market is yet to realize it

Innovators and those focused on differentiating on consumer experience have already adopted Windows 10 across their ATM network. Many banks are in progress with their migration plans as you read this.

Yet many aren't. The problem is that, for a lot of financial institutions, the Windows 10 migration feels like the migration from Windows XP to Windows 7—it's not a key priority because it doesn't feel pressing. But it is. Meanwhile, your competitors may be rolling out their migration project. Then you're not just facing a migration, but a time crunch, too; you'll have to accelerate your migration journey at a time when resources might be stretched thin trying to keep up with a market stampede for compliance.

Still...there is time to act and make the deadline in a stress-free way, if you start now. With a minimum planning horizon of 6 months, that leaves you a couple months. Is your team ready? Let's pressure test their progress with a few questions.

- 1. Have you effectively built the business case for ensuring your ATMs are Windows 10 compliant?** As with any program that requires investment and both internal and external resources, you have to establish the case and out-compete the other projects vying for investment.
- 2. Does your bank fully understand the impact of not adopting Windows 10?** What will this mean for the compliance status of your ATM network, and does this match your organization's policy on managing operational risk? Is this being tracked and understood by the appropriate teams with agreed-upon mitigation strategies in motion?
- 3. Are your competitors in the process of implementing a Windows 10 migration program?** Will this impact your current plans? And, if you choose to bring forward your own program, what will be the knock-on effects of this?
- 4. Do you understand how the Windows 10 migration for your ATM channel fits into your bank's other modernization programs,** and connects with your bank's journey to enhancing the consumer experience and compete in a world that puts digital first including branch transformation projects (that increasingly incorporate digital and self-service zones for consumer and small business transactions)?
- 5. Is your Audit & Compliance team fully engaged?** Governance and compliance for your ATM estate is fundamental. It is essential that your migration plans have fully included your Audit & Compliance team to interlock with their scheduling cycle and that they are key contributors to supporting the business case.
- 6. What are the impacts to your overall channel priorities in 2020 if the Windows 10 migration is not completed in 2019?** Have you negotiated the impact of rescheduling these other projects to ensure you have the resources available in 2020 to migrate your ATM network? Has this been factored into risk and capacity planning?

With consumers accelerating the demand for 24/7 access and seamless, personalized experiences, and the pressure on banks to deliver this at the optimal operational efficiency, embracing the move to enterprise ATM software will help financial institutions deliver on all objectives.

Options for designing a program strategy

Whether you choose to tackle hardware first followed by the software migration, or the more aggressive approach of hardware and software together, it's essential that you develop your planning process in partnership with your vendor partners to assess lead times, input to refine your program approach and share best practices, such as coordinating ATM visits with those already scheduled for field maintenance.

It may seem obvious, but the optimal approach for one bank may be completely unsuitable for another. There are best practices, but no one-size-fits-all, so work with your vendor to design a migration program that's right for you.

As part of your Windows 10 planning process, it is key that you have an accurate and current view of your ATM hardware estate, with detailed insight into each ATM in the network, their respective hardware profiles, years in field, agreed life-cycle management and state of health. Other factors include the associated strategies of branch modernization, digitization of your channels, scope and role of consumer experience plans, consumer marketing and brand positioning.

Each of these factors may have a significant impact on the decision to upgrade legacy ATMs or accelerate the replacement cycle to support a wider modernization drive and a transformation shift in both branch and staff roles towards relationship and advisory.

Hardware First, Software to follow: If you're evaluating a hardware first approach, focus first on ensuring your ATM network hardware is 100% Windows 10 ready (that each ATM has the required PC core, memory and supported ATM hardware). Then, when the agreed release schedule permits, deploy your Windows 10 updates.

Hardware & Software – Single Pass: You may prefer to upgrade both your ATM hardware (if required) and software in a single pass. This can minimise potential impact to your ATM network. What's more, compressing the program into a more condensed time will provide your team with more flexibility to introduce further migration projects as part of your journey to enhancing the consumer experience.

No matter the path you're evaluating, there is one golden rule: Engage with NCR and partner with us closely to develop your program and share best practices.



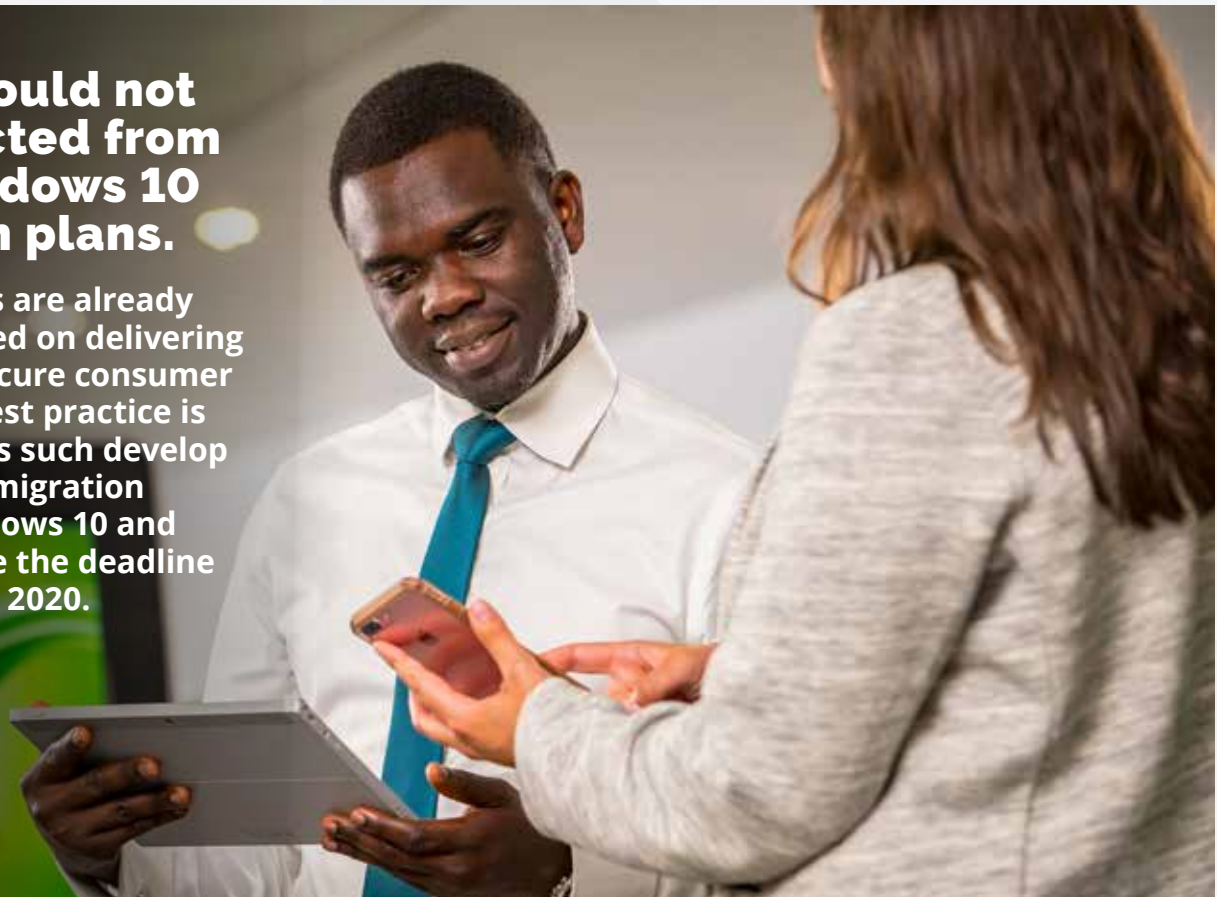
Is OS virtualization a workable alternative?

In recent months, we have seen a small number of papers about using OS virtualization as an alternative to a traditional Windows 10 migration. The proposed methodology suggests an install of a Linux based operating system and the use of hypervisor agents to then run Windows 10 inside Linux in a virtualized environment. In theory, this would bypass the requirement to upgrade ATM hardware; however, while it's an interesting concept, there are a number of substantial flaws and acknowledged limitations.

- Operating a virtualized OS will lead to performance issues in older chipsets, and, with a significant proportion of the current ATM install base being more than 10 years old, even if the concept was scalable, this would cause latency issues at a point when banks are trying to differentiate on experience.
- Introducing an open source OS into the ATM stack and bank environment raises the question of additional security attack vectors being introduced and the increased complexity in the support needed to add more testing and ensure the stack is fully up to date. As the industry moves towards accelerating the introduction of new services and the significant growth of both multi-function ATMs and double digit growth of multi-vendor ATM software the theoretical incorporation of a virtualized OS would become limiting.
- As banks shift to competing on consumer experience, ATM modernization will become foundational. Adoption of and a significant mix shift towards multi-function ATMs that can handle much as 99% of teller-based services, including account opening, will modernize the estate. This alone negates any theoretical benefit of moving to a virtualized OS.

Banks should not be deflected from their Windows 10 migration plans.

The innovators are already live and focused on delivering a seamless, secure consumer experience. Best practice is and remains as such develop your detailed migration plans for Windows 10 and migrate before the deadline of January 14th 2020.



Key questions to pressure test your migration scheduling considerations

Have you planned the program in detail, and assigned resources, responsibility, investment level and milestones?

Does it include all third parties necessary to the program (ATM vendor, ATM processor, riggers/installers for replacement units, cash providers)? While support officially ends on Jan 14, 2020, do you know your true practical deadline and the start date to meet that deadline? At a minimum, build in time to test/validate the update on a sample of units before launching full scale updates.

What are the blackout periods for the ATM network update? When are you allowed to make (or are prohibited from making) system updates/parameter changes required for the Windows 10 updates?

Have you identified all potential external or corporate events that may affect your schedule?

For example: Does corporate marketing have a significant advertising campaign that will drive significant traffic to your ATMs? Does the campaign support any market-specific events, such as the Olympics, sporting championships, university commencement or peak tourism, which will spike demand for access to cash at the ATM? Are there core banking or ATM processor conversions with blackout windows for ATM related changes?

Leveraging Best Practices

- Have you built your plan in partnership with your ATM vendor? Have you engaged resource and best practice advice? Do you have sight of pre-scheduled ATM visits you could leverage to maximise coordination?

Ensuring Compliance

- Compliance is a fundamental issue; failure to understand and plan every aspect of required checks and certification could have significant consequences for your ATM channel.
- It is essential to factor in enough time to accommodate all ATM compliance checks (especially PCI) and any necessary EMV brand certifications.
- Have you pressure tested these dates and compliance checks to ensure all risks are identified and mitigated? What is the governance accreditation rhythm? Have you engaged with your PCI team? Do you understand the risk of compliance gaps if timescales are missed? How long does it take to ensure your project is passed for acceptance to be deployed in a release window?

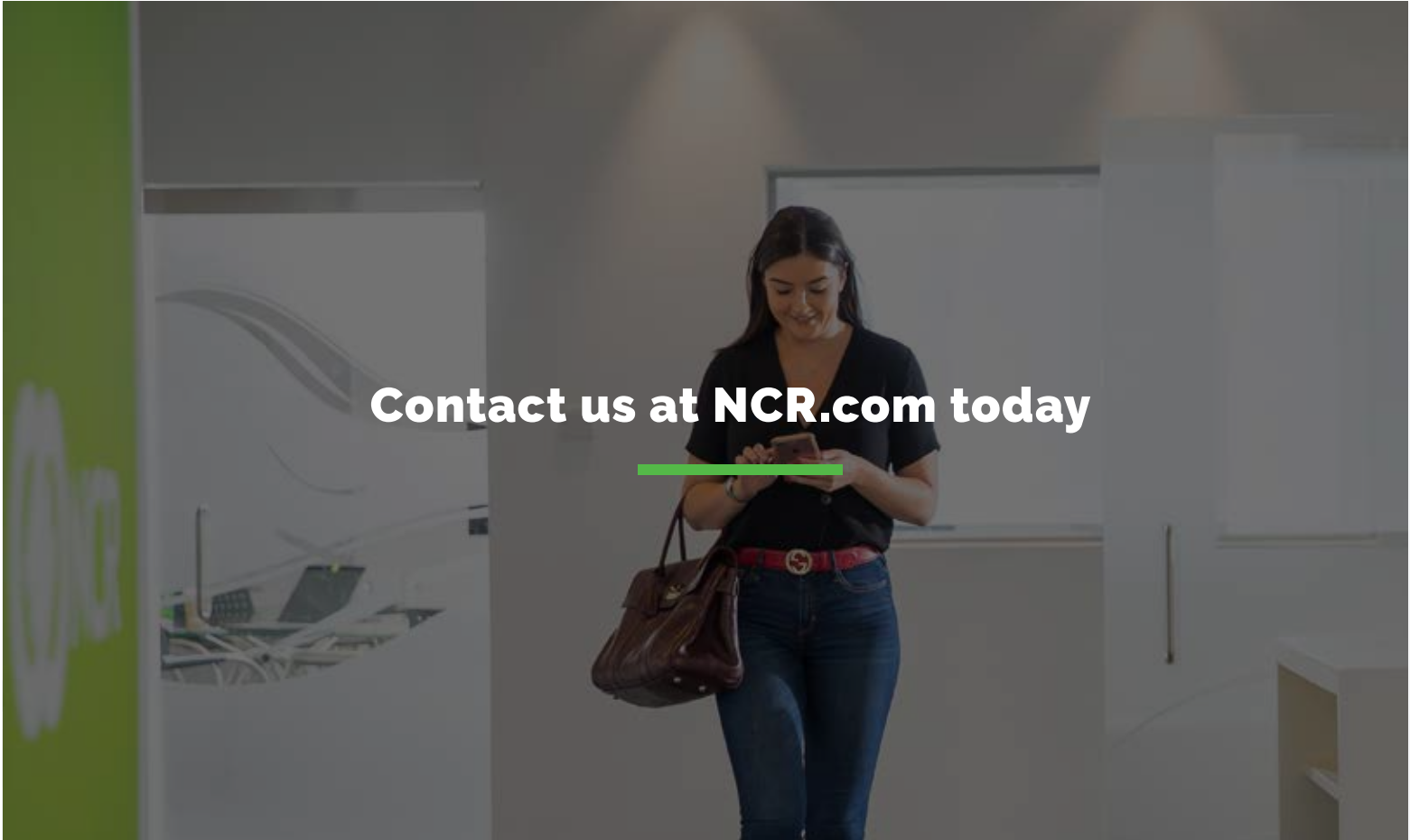
One Golden Rule

Remember: Engage with NCR to partner closely with you in developing your Windows 10 Migration plans. Need more information? Explore the answers to these and other best practices in an associated webinar and expert panel. Then contact us to find out how we can partner with you to make your Windows 10 journey a success and put you on the path to differentiating on an exceptional ATM customer experience.



Learn more at:

ncr.com/windows-10-we-ll-ensure-you-re-ready-in-time



Contact us at [NCR.com](https://www.ncr.com) today

Why NCR?

NCR is a leading global technology company that brings unexpected value to every interaction between customers and businesses. The company behind the world's **#1 ATM SelfServ brand** and **ranked #1 globally for ATM multi-vendor software**, we power 5 of the 10 highest-ranked banking apps with digital banking solutions used by 15M+ consumers.

Digital first but not digital only, our software, hardware and services help financial institutions bridge their digital and physical operations. From banking apps to branch transformation, our future-proofing technology runs the entire bank, delivering customized, secure, "anytime, anywhere" experiences that create more value for FIs and their customers.

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