

## **Statewide Federal Credit Union Happily Exits the ATM Business**

After owning and operating its own ATMs for some 25 years, Statewide Federal Credit Union in Mississippi finally decided that the hassles of maintenance, updates, and compliance just weren't worth it anymore.

"We had come to look at ATMs as a necessary evil, something we had to have because we have branches," explains Paul Armstrong, General Manager of Statewide FCU. "I'm not a big fan of ATMs, and it was just a business I didn't want to be in anymore."

Statewide FCU was founded in 1949 to serve U.S. Department of Agriculture employees in Mississippi. That was its focus for four decades, when it began expanding the membership groups. It is an entirely membership group-based credit union, serving more than 15,000 members in 80 such groups, primarily in government, education, and healthcare. Statewide FCU has branches in Starkville and Cleveland, Mississippi, in addition to its headquarters branch in Flowood.

As Armstrong explains it, Statewide FCU came to see ATMs as a "necessary evil," a service that the credit union felt obligated to offer to members even as it fought the battles required to keep the machines at its three branches in operation.

The last time it replaced the ATMs – in order to stay compliant with the Americans with Disabilities Act and new transaction codes – Statewide FCU took a chance on buying less costly refurbished machines. It didn't take long to regret that move.

"We had lots of problems with those machines," Armstrong says. "Service people were out every week. Something was always breaking on them. We got all kinds of complaints that the machines took members' cards, didn't give them a receipt, or didn't give them their money. We didn't really care for the service we were getting, either."

Weary of the weekly routine of complaints from members and tellers that machines were either broken down or malfunctioning by not dispensing money or a receipt, Statewide FCU looked for an alternative. It turned to Dolphin Debit, the full-service management company.

In the spring of 2014, Dolphin Debit, as part of its full-turnkey management model, installed all-new ATMs at each Statewide FCU branch, and now takes care of all the maintenance, updating, and compliance.

Statewide FCU was already familiar with Dolphin Debit through a program in which it and several other credit unions shared ATMs at Murphy USA fuel stations in four Mississippi cities. Dolphin Debit has an exclusive arrangement to locate ATMs at Murphy USA sites, adjacent to high-traffic Walmart stores. Armstrong queried other credit unions that had moved their ATMs to Dolphin Debit, and found that they all were big fans.

Having Dolphin Debit own and operate the ATMs sounded irresistibly appealing, so Statewide FCU migrated its machines to Dolphin Debit in a move that began paying off handsomely right away.

"Since we put in the new ATMs, all we do is put money in them and all is right with the world," Armstrong says. "Dolphin Debit takes care of the operation. The machines are modern, light years ahead of what we had, and we haven't had any complaints from members or employees."

Also, Armstrong says, ATM usage has increased, and just by observing members using the machines, he can see how much faster they are.

"That is where we were losing out with our old ATMs," he says. "People got tired of coming here and sitting for two or three minutes just to wait for their money to come out. Those old machines had been reworked so often they got incredibly slow. These are quick. About as fast as members can punch the buttons, the money is in their hand."

Armstrong adds that having Dolphin keeps up with maintenance, compliance, and regulations has eased what had become a major burden of ATM ownership. He notes, "We expect to save about \$5,000 to \$6,000 a year, plus the savings in employee time and aggravation, not to mention member happiness. Now employees don't have to spend a lot of time with the ATM and can do something productive."

The bottom line, Armstrong reiterates, was that owning and running ATMs "was not a business we wanted to be in anymore."

That attitude is becoming increasingly common, observes Ben Allen, President of Dolphin Debit. He says Statewide FCU's experience is typical of what credit unions and banks encounter when they move from ATM ownership to ATM leasing.

"With our model, credit unions and banks simply don't worry about their ATMs anymore," Allen said. "They don't have to maintain them, service them, update them, or curse at them. We make sure the ATMs are operating correctly and doing what they're supposed to, which is providing a valuable service to members and customers."