

STRATEGIES

INFORMATION AND TIPS FOR DOING BUSINESS BETTER

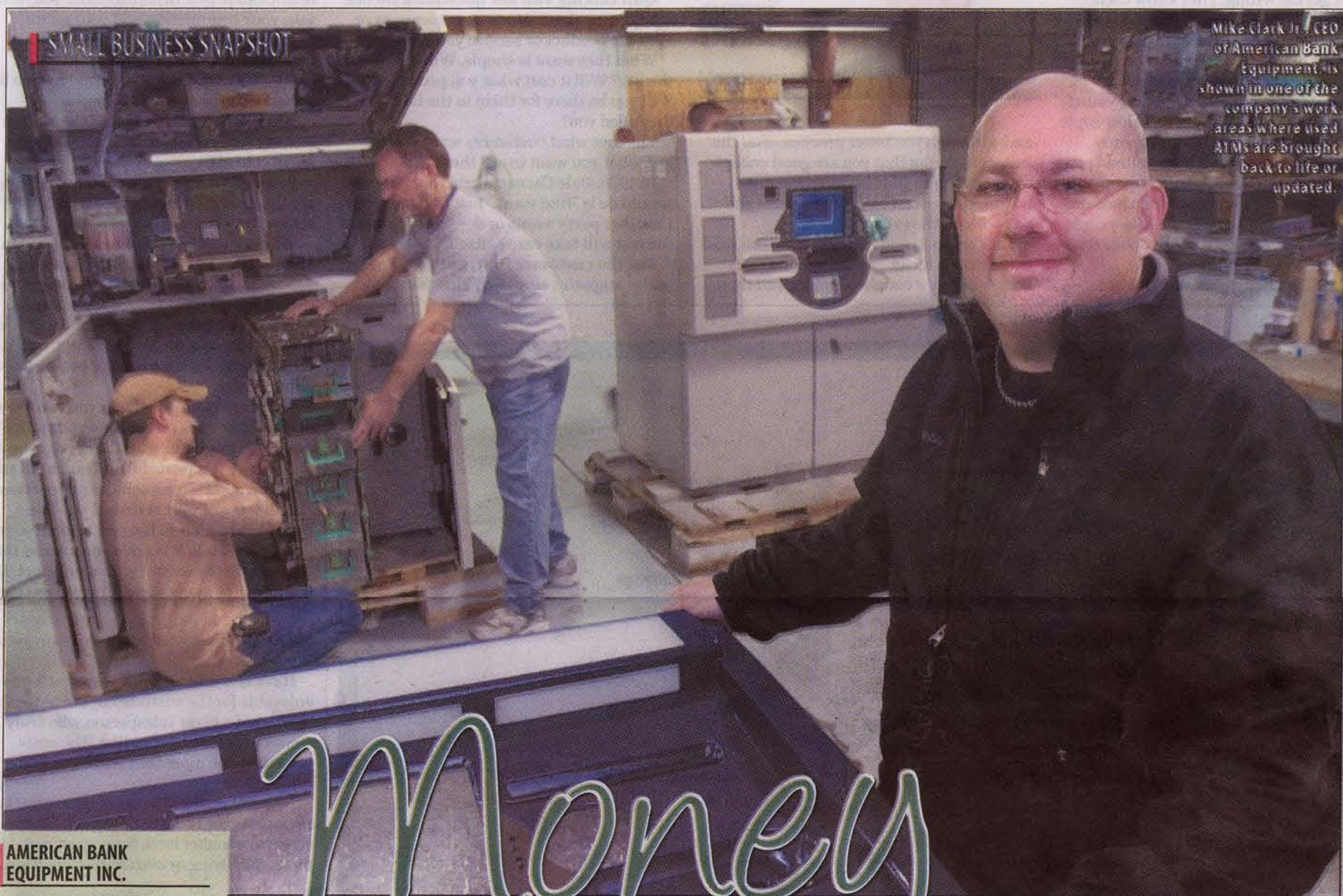
AT YOUR SERVICE: Columnist
Hal Becker thinks even veteran
salespeople have lessons to learn | P18

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Mike Clark Jr., CEO of American Bank Equipment, is shown in one of the company's work areas where used ATMs are brought back to life or updated.

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Money BUSINESS

AMERICAN BANK EQUIPMENT INC.

President and CEO: Mike Clark Jr.
Address: 3516 Mattingly Road, Buckner, Ky.
Founded: 2003
Number of employees: 15
Equipment offered: Refurbished ATMs, including kiosk models; refurbished proof machines, which scan canceled checks; parts and upgrades of units
Number of items available via the company's Web site: More than 3,000
Phone: (502) 429-4156
Web site: www.americanbankequipment.com |

HEAVY LIFTING

If automated-teller machines look sturdy, that's because they are. The smallest ATM weighs in at 700 pounds, and large kiosk models can weigh as much as 3,500 pounds, said Cory King, a salesman for American Bank Equipment Inc. That means removing old machines and installing new ones requires using outside rigging companies with special equipment. And it makes shipping a significant part of the cost of a refurbished ATM, he said. |

BY TERRY BOYD | STAFF WRITER
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American Bank Equipment Inc. is one of those businesses in a niche that consumers use every day but rarely think about. American Bank Equipment has a lot to do with whether your experience using an automated-teller machine is routine or off-putting.

Keeping ATMs working properly and looking good is just one piece of ABE's business, which is expanding as the company becomes an ever more important tool both for bankers and for consumers.

The Buckner-based company customizes, refurbishes and rebuilds ATMs, which take an incredible amount of wear and abuse, said Cory King, a salesman.

"Part of what we do is what's called an on-site facia upgrade," King said. That means replacing that scuffed-up keyboard or card-user interface that is grimy "almost to where you don't want to touch it," he said.

Clients not only get a clean machine, they get technology upgrades, King said.

On the stalwart old "bunker"-style ATM models, the trend is toward replacing motorized card readers that ingest the card, then hold it until the end of the transaction, with "dip card" readers that allow a quick swipe.

"We do an upgrade that takes two hours to do," King said. "It's a beautiful thing ... easy to do"

It's also fairly cost-effective, King said. A new ATM costs about \$35,000, and a facia upgrade costs \$3,500, including the card interface.

The largest business category for American Bank Equipment is repair and maintenance, said Mike Clark Jr., founder and president.

Updating and fixing ATMs is big business for small Buckner firm

When ATMs and other bank equipment go down, the company's technicians get called 24 hours per day to get them back up again, Clark said.

They might have to replace the guts or the entire machine, King said.

Then, the choice becomes spending \$35,000 or more for a new basic machine or about \$17,000 for a refurbished ATM.

ATMs equipped to process check transactions cost between \$60,000 and \$90,000, "and as they come up used, there's a huge opportunity for profit" in the resale market, Clark said.

Worldwide parts delivery

For some clients, the company is an emergency, just-in-time parts source for repairs. ABE offers an overnight expediting service that ships parts — thanks to United Parcel Service Inc.'s Louisville air hub — as late as 10:30 p.m., he said.

The company has clients across the United States and in Germany, Austria and South Africa, he said.

The 5-year-old company has 15 employees working out of its office in Buckner.

American Bank Equipment also has about 60,000 square feet of warehouse space in Crestwood where, in addition to parts, the company has about 1,000 ATMs that are used for parts or as test beds.

Clark declined to disclose revenue figures, but he said the company is growing quickly. It is in the process of expanding its warehouse space by 7,500 square feet.

American Bank Equipment handles parts for check sorters, which still are used by big data centers that process checks in bulk, Clark said. But the focus is on ATMs.

"ATMs are not going to go away," Clark said. "ATMs are becoming the face of the bank, and the more impressive it is, the better.

"It's the best salesperson you ever had." |