



Mandrake.ATM

Australian ATM Buying Guide



www.mandrakeatm.online



Hello there!

There are, essentially, four things to consider when buying, leasing or getting an ATM "for free". Let's start with the first consideration. We will break down every consideration and ATM business model in further detail.

First Consideration

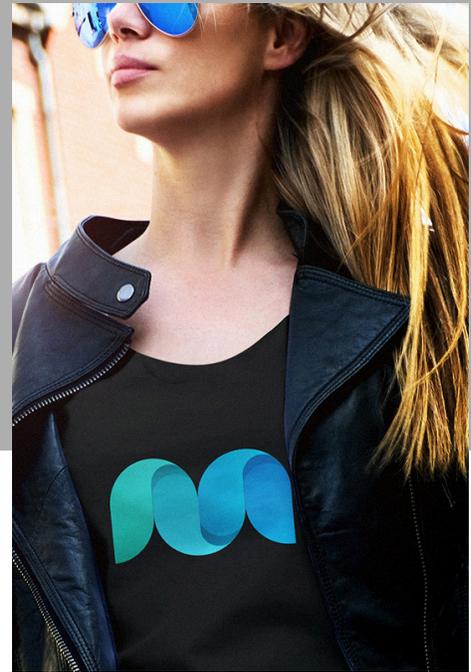
- Decide if your business is a good match for an ATM. Think honestly about the following questions.
- Do you want to be paid exclusively in cash?
- Are there any other businesses near you that are paid predominantly in cash?
- Will your cash machine be the only one within walking distance of your business?
- Do businesses in your industry commonly have an ATM at their location?
- Are your customers requesting cashback when they pay with their debit card?
- Do you have customers frequently asking you where the nearest ATM is?
- Is your business a gaming venue?

Our ATM Buying Guide

Second Consideration

Determine what type of ATM you want for your business. There are two basic ATM models: a lobby-style ATM and a through-the-wall ATM. Most ATM models come with two types of safes: Business Hours and Level 1. The main difference between the two safes is the thickness and strength of their walls and the difficulty of opening. A business-hours safe is ideal for an ATM located within the interior of a business. In contrast, Level 1 safe is better suited for outdoor, through-the-wall ATMs. The weight for the lobby-style NH 2800 CE is 130 kgs, while for the through-the-wall version of the NH 2700 model is 325 kgs.

If you expect heavy usage of your ATM proposed location, go for the through-the-wall ATM model. Luckily, one of the best-looking ATM models available on the Australian market is also one of the more affordable models (NH 2700). The sleek, modern Nautilus Hyosung ATMs look great in any location.



If you've answered 'yes' to one or more of the questions above, it's a strong indicator that your ATM will be a sound financial investment, potentially generating significant revenue for your business.

Why Nautilus Hyosung ATMs?

With extensive experience with multiple ATM models from different ATM manufacturers, Mandrake ATM decided to only provide these ATM models (in two different sizes) to our customers, because they tick all the boxes from looks to functionality, price, and capacity. All of our ATMs are built to withstand all common threats, providing you with peace of mind and confidence in your investment. The latest Nautilus Hyosung ATM model, the NH 2800 CE, uses locks that range from standard electronic locks to Cencon and S&G locks. The Cencon is the standard ATM lock on this model, which is also a standard lock for most new ATMs in the Australian market. The Cencon lock includes dual access control, one-time combinations, encrypted electronic keys, alarm connectivity, and an internal power source. Third-party cashing service providers require that ATMs they service upgrade to Cencon or a software-based system like S&G. The NH 2800 CE comes with two cassettes, each capable of storing 2,000 notes. For most customers, this note capacity is more than enough.



Choose your ATM business model from the options listed below.

THIRD CONSIDERATION

Buy your own ATM business model

Pros of the buy your own ATM model:

- Most lucrative of the three business models;
- No ongoing costs besides occasional maintenance;
- You set the direct charge for cash withdrawals and balance inquiries;
- You get the lion's share of the direct ATM charge;
- No credit checks required;
- You can resell the ATM when you exit your business.
- Having an ATM on your premises can attract cash-centric customers who might not have visited. This foot traffic can lead to increased sales and revenue for your business, putting you in control of your financial success.
- Offering an on-site ATM makes it convenient for customers to access cash, enhancing their overall experience. This convenience often leads to customer loyalty and repeat business, making your customers feel valued and cared for. The last three advantages apply to the other two ATM business models as well.



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There is no such thing as a "free" ATM.



Cons of the buy your own ATM model:

- Highest start-up costs;
- You pay for maintenance and regulatory upgrades.

Get a "free ATM"?

In today's fast-paced world of payments, convenience is key. Having access to an ATM can make daily transactions smoother and quicker. But what about the option of getting a "free ATM" for your business? Let's explore the pros and cons of getting a "free ATM". When considering this model, it's essential to understand that nothing in life is free. In the current economy, where cash withdrawals have decreased considerably over the last ten years, your ATM supplier will need to be absolutely convinced that your proposed ATM location will perform at least 2000 cash withdrawals a month. Because of the changed economics of supplying "free" ATMs, our company no longer provides ATMs to customers "free" of charge. Most independent ATM deployers will most likely not be interested in supplying a "free" ATM for most business locations in Australia.

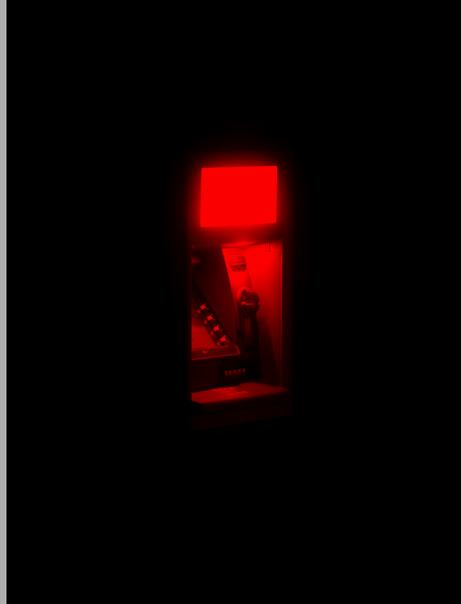
The pros of getting a "free ATM"

Here are some compelling reasons why opting for a free ATM might be a smart move:

- **Lowest start-up cost:** One of the most appealing aspects of a free ATM is the potential cost savings. By eliminating upfront capital outlay to acquire ATM ownership, you can keep more of your hard-earned money in your pocket.
- **You don't pay for maintenance and regulatory upgrades,** which can contribute to your good monthly cash flow.



Cons of getting a "free" ATM



Despite some advantages, there are also some drawbacks to consider when deciding whether a "free" ATM is right for you:

- You're not the boss of your payment environment: While the initial setup might be free, the direct ATM user fee is set by the company that owns the ATM (independent ATM deployers or banks).
- Small or no income: The ATM owner sets minimum transaction thresholds, which often means you'll get a very small or no monthly payment. Only high-performing ATMs will deliver income for you. If you are not cashing the ATM yourself, you will most likely end up paying the ATM owner for the ATM. In this case, the ATM is essentially a POS device, thereby negating any advantages of this ATM business model.
- Dependency on third-party providers: When you opt for a free ATM, you often depend on the provider for maintenance and technical support. Issues with the provider can lead to downtime or service disruptions for your customers. Big independent ATM suppliers prioritise their better-performing customers for repairs and maintenance. In many cases, your pleas for your ATM to be repaired might not be heard for months by big ATM deployers. You are also likely to lose the ATM in your business if that ATM is not profitable for the ATM owner.
- Technological obsolescence: ATMs are subject to technological advancements and regulatory changes. Over time, your free ATM may become outdated, non-compliant with the latest regulatory requirements, and require costly upgrades to remain competitive. Unless your ATM is performing over 2000 cash withdrawals a month, the ATM supplier will have no incentive to upgrade the "free" ATM in your business.

Be sure to evaluate your specific ATM needs

Be sure to evaluate your specific business needs and objectives before deciding. Remember, the key is to make an informed choice that aligns with your business goals and enhances the overall customer experience. Whether you go for a "free" ATM or explore other options, prioritising ATM options from an established, reputable and experienced ATM supplier will always be a winning strategy.

Lease your ATM business model

Pros of this model:

- Lower start-up costs compared to buying your ATM outright
- Sometimes, the ATM supplier will let you set the direct charge for cash withdrawals and balance inquiries;
- You get the lion's share of the direct ATM charges, again depending on the ATM supplier;
- No minimum transaction threshold is required;
- In rare cases, an ATM supplier might let you own the ATM at the end of the lease.



Cons of the lease ATM business model

- Direct debit authority required;
- Credit checks required;
- You pay for maintenance and regulatory upgrades;
- There is an exit fee if you break the lease agreement;
- More expensive overall than buying your ATM outright due to interest paid on the financing;
- You get a much smaller share of the direct charge compared to the other two models;
- You do not get paid if your ATM does not meet a minimum transaction threshold;
- You must convince an ATM supplier that your ATM will do enough business;
- The least profitable option in the long run;
- The ATM is likely to be pulled out of your venue if it does not meet the minimum transaction threshold regularly.



Fourth consideration



Estimate how quickly you will repay your investment in an ATM from your ATM earnings. Let's assume that you've done your basic calculations regarding the potential performance of your proposed ATM location and that you're ready to invest. There are many ATM models in the Australian market; however, there are only a few that are good value for money for Australian SMEs.

A new ATM, in the more affordable price bracket, costs approximately \$9,500 (for a lobby-style ATM) or \$13,000 (for a through-the-wall ATM). However, you can purchase a compliant second-hand ATM for \$7,500.

Let's consider one hypothetical scenario. Let's say that your ATM performs an average of 500 cash withdrawals a month. Earning around \$2.5 per cash withdrawal, you would earn \$1,250 a month, which means in 7-12 months, your lobby-style cash machine will have paid for itself.

As our machines are designed to perform 10,000 transactions a month, the life of our new ATMs is 8-10 years. This ATM capability means that for the life of the cash machine, you can easily net a profit of \$150,000.

Considering ATM suppliers?

With so many independent ATM suppliers, it's hard to understand all the options out there. You can read by clicking on the following link [Guide to Choosing an ATM Supplier](#).

We're here to help

We're here to help! Make a more informed decision with Mandrake ATM. Call or email us, or follow our blog on www.mandrakeatm.online for additional information regarding the Australian ATM industry and the benefits of ATM ownership.

CALL 1800 672 867



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