GLORY

Short-changing your business

Why it pays to get your cash handling strategy right

WHY IT PAYS TO
GET YOUR CASH HANDLING STRATEGY RIGHT

Cash requires retailers to ensure the safest, most secure and efficient ways of handling and getting it to work, fast for their business.

From front of house tendering at the till, through to back-office operations and on to pick-up by CIT service suppliers, cash counting at multiple stages in business processes is an essential measure designed to protect but can often leave cash exposed and vulnerable to discrepancies and shrinkage. However, retailers need to take a broader strategic view as to how they handle cash when considering in which solutions to invest and not just to protect against such vulnerabilities.

Decisions made that start with cash handling have the potential to impact, for better or worse, the company's productivity and the customer's in-store experience. The right choice, however has the power to drastically improve efficiency whilst transforming consumer experience, heightening brand perception and engraining advocacy which ultimately results in more fulfilling business relationships all round.

"THE RECYCLING MACHINE REALLY CHANGED THE LIFE OF MY STAFF BECAUSE THEY GET MORE COMFORTABLE WITH THE CUSTOMER. THEY TAKE BETTER CARE OF THEM WITHOUT HAVING TO LOOK AT THE CASH AND CHANGE WHILE MAKING A CONVERSATION."

Philippe Rispoli, Owner and Chef, **PB Boulangerie Bistro**

CASH COUNTING
DEVICES

Cash counting devices are a cost-effective way to speed up the cash handling process. Universally essential in cash-focused enterprises, the time taken to reduce on-premises counting, whether front of house or in the back office, is largely achieved by devices that operate in two ways; count-by-weight (CBW) and note counters. Each variant has its merits.

COUNT-BY-WEIGHT

Count-by-weight devices are often inexpensive solutions that enable retailers to realise immediate productivity gains. Common place software available on these devices can build floats and balance Point-of-Sale cash drawers at the end of the day. The added incentive for retailers to deploy these types of devices is that they can speed up front of house cash-related activities such as spot checks and cash pick-ups for depositing into the safe.

However, activities like spot checks, for example, require retailers to close lanes, take at least two members of staff away from customer facing activities and the very act forces a business to implicitly admit that they do not trust their staff to handle cash.

In the back office where cash counting is undertaken in a significantly more secure and controlled space, CBW devices can handle both notes and coin and are comparatively low-maintenance. Often touted advantages of a device's portability, however, become irrelevant in this part of a business's premises and their sensitivity requires a near-perfect operating environment – flat and dirt-free – which may not be achievable in smaller stores where space is at a premium.

CASH COUNTING
DEVICES [continued]

SMART DRAWER

There is a second type of CBW device that can be deployed by retailers, a "smart drawer." These are designed to replace the traditional cash drawer. Many of these devices use count by weight technology to ensure accuracy of the notes being placed into the drawer. As has already been stated about the stand-alone devices, count by weight technology relies heavily upon being kept in a steady environment, and not being dropped. Smart drawers must suffer the impact of pushing, the hinges being sprung and of course the drawer needs to come out. All these movements give rise to opportunities for points of failure. The movements for these devices are also unavoidable.

The deployment of a smart drawer also limits the possibilities for self service environments in stores. By deploying smart drawers there must be a cashier at each drawer to protect the cash. Smart drawer also does not remove the need to count change, and as a result, do not provide cashiers with an opportunity to upsell or engage the consumer. Much like stand alone CBW devices, the smart drawer does not protect your business from theft, because of the lack of a safe, or from counterfeit notes.

SMART SAFES

Smart safes are exactly what the name suggests. A safe that has intelligent capabilities. These so-called intelligent capabilities are typically two features, built in note validators and an ability to generate and monitor data to give a greater insight as to when cash needs to be collected by cash in transit vendors.

The bill validator can protect retailers by giving an added layer of security against fraudulent notes, giving the retailer and the store assistants the ability to reject fake notes at the POS. By giving retailers access to real time data smart safes can help to reduce the time spent undertaking time consuming cash handling activities. By integrating with cash in transit solutions the number of pick ups can be reduced.

Smart safes do not however reuse the cash that is held inside of them, once the cash is in the safe, it typically can only be accessed by CIT employees who have a one-time passcode to access the safe and remove the notes.

CASH COUNTING
DEVICES [continued]

NOTE COUNTERS

Purely used for counting notes, unlike CBW devices, note counters are prone to the same productivity sacrifices in front of house and, due to moving parts, will be noisier and less welcome in customer-facing areas by retailers.

In the back office, a major advantage over CBW is the ability to automatically identify fraudulent notes. However, with potentially large quantities of notes, some of which may be forgeries, to ask staff to examine and detect counterfeit notes is at best unreasonable. Another advantage is the ability to process large quantities of notes faster than CBW devices. As an example, Glory's GFS-220 Series counter can count over 1,000 notes per minute whilst simultaneously identifying counterfeits.

THE ILLUSION OF
PRODUCTIVITY AND THE
CASH RECYCLING ALTERNATIVE

Counting cash quickly, identifying counterfeits and increasing cash security are important and attractive reasons for deploying counting devices. Their impact on providing a better in-store experience though could be better met by extending processes through the introduction of Cash Recycling. Suddenly what was perceived as cost-effective by merely counting cash, now becomes a more rounded productivity enhancement by freeing up staff to focus on more value-adding activities.

Cash recycling solutions are an alternative option to simply counting. Powerful devices that enable retailers to transform efficiency, security and speed of their cash processing through automation at key points of the journey from the point of sale, through the cash office to bank.

For retailers, there is significant value in recycling cash and productivity gains manifest themselves in three key areas in particular:

- Increasing staff availability will enhance the consumer experience in store.
- Decreasing shrinkage will benefit the bottom line and staff morale.
- Accelerating time to value keeps cash working for your business.

STAFF PRODUCTIVITY

Regardless of their operating model, businesses want their staff to be productive. When employees are taking time to undertake cash processes that can otherwise be managed through automation, they are unable to perform customer-facing tasks such as ensuring stock availability, responding to queries and nurturing sales opportunities or upselling to higher value items.

Deploying cash automation at the point of sale further removes the need to authenticate and count cash. Staff can freely interact with customers without the stress of ensuring that cash tendered and returned as change is correct. It also eliminates the need to close lanes to undertake spot checks; action which implies that although you employ your staff you do not trust them.

Examples of the increases in staff productivity that can be seen by those retailers that deploy recycling include, savings of between 5 to ten minutes per shift, per cashier at the start and end of shift due to the elimination of managing "cashier floats". In turn the stores themselves can allocate their staff across the store to better serve their customers. Reduction of coin and note orders by up to 80%, leading to optimisation of CIT picks up. These savings on processing of cash can reduce costs by around 50% for retailers.

THE ILLUSION OF
PRODUCTIVITY AND THE
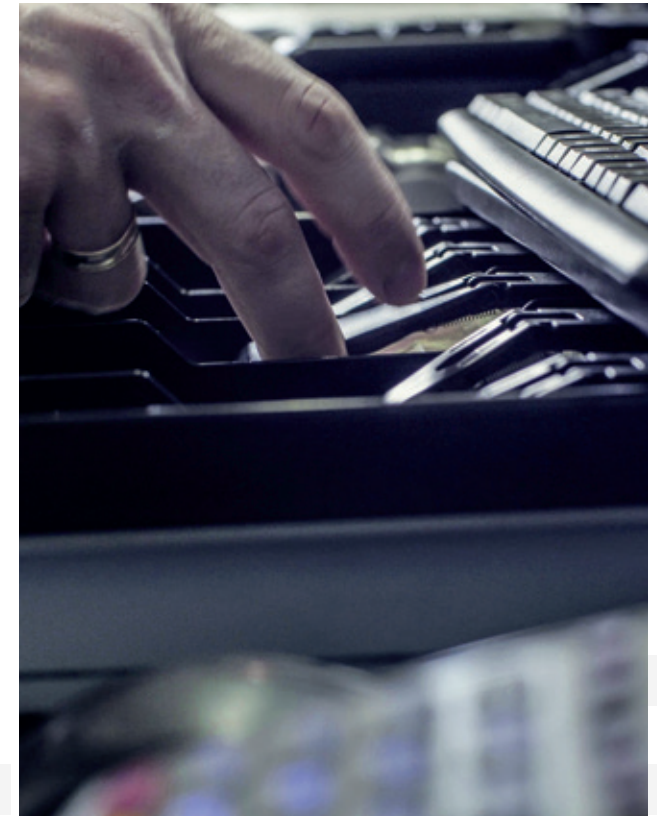## CASH RECYCLING ALTERNATIVE [continued]

CASH SHRINKAGE

Using recycling solutions as part of front-end in-store technology can have a profound impact on shrinkage. Eliminating the need for staff to handle cash reduces the risk of theft. Businesses never employ people they believe can't be trusted, so why burden either the company or its employees with the resulting physical and emotional complexities linked to bad decisions when dealing with large amounts of cash?

Stores that deploy recycling solutions at their point of sale also reduce counterfeiting opportunities for criminals - deterred because they cannot rely on human judgement to pass off their sophisticated, fraudulent notes when presented in payment and not identified before they impact the retailers bottom line. Our customers have seen reduction of errors or discrepancies involving cash operations, from preparation of float, counting cash and payments by close to 90% versus retailers that have deployed smart drawer technology.

"AFTER IMPLEMENTATION WE HAVE MORE TIME AVAILABLE TO HELP OTHER DEPARTMENTS AND OTHER AREAS LIKE CUSTOMER SERVICE. NOW OUR PEOPLE ARE ENTHUSING ABOUT BEING CUSTOMER CENTRIC AND DRIVING CUSTOMER SATISFACTION."

Eugene Goh, Supervisor, **Yue Hwa Singapore**

THE ILLUSION OF
PRODUCTIVITY AND THE
CASH RECYCLING ALTERNATIVE [continued]

ACCELERATE TIME TO VALUE

Transporting cash is an inefficient process that costs time and opportunity. Instead of sitting idle in the drawer, POS recycling presents retailers with an opportunity to make cash work faster. It counts and verifies cash in a matter of seconds and keeps it moving through the business.

Reusing cash and keeping a constant flow within store rather than the need for intervention from a CIT partner can dramatically reduce management costs. Moving stores' interactions with CIT suppliers to an "as-needed" model rather than a scheduled pick-up routine creates greater flexibility for the business and reduces cost.

Further flexibility and cost reductions abound when the cash recycling device is part of a networked solution that could support real-time business activities. As an example, where appropriate regulation and banking relationships permit, consider the possibilities for companies whose back-office systems talk to other entities that could lead to decisions about provisional and same-day credit.

CONCLUSION

Retailers must find solutions for dealing with cash. Part automating the process does not solve broader problems. Papering over the cracks by only deploying count by weight devices, does not deliver the maximum available productivity gains. Trying to address an intricate problem with a plan to merely count faster is short-sighted at best and fails to address the issues of shrinkage and idle cash. Many of the justifications for these devices become self-fulfilling: if retailers count cash, they will look to count it faster; if they remove cash every day they'll need to create a float for each lane; but it won't prevent the need to double up on staff being removed from customer interactions and the potential damage to in-store experience and business opportunities.

Retailers must take a more strategic view as to how they handle cash and protect against shrinkage. Low-cost options are probably so because they are outdated. Retailers ought to consider a broader range of criteria when reaching a decision on the solutions in which they are going to invest. Instead of looking at evolution in terms of cash counting, retailers have an opportunity for revolution through applying modern in-store cash recycling solutions. This revolution has cash handling at its heart but ultimately transforms the in-store experience and has the power to alter the perception of a brand in the minds of consumers.

"THE NEW CASH RECONCILIATION PROCESS TAKES ONLY A FEW MINUTES. EACH CASHIER WILL SAVE AT LEAST 45 MINUTES DAILY. WE ARE PLEASED WITH THE POSITIVE TAKEAWAYS FROM THE IMPLEMENTATION. HAPPY STAFF AND SATISFIED CUSTOMERS ENABLE US TO ACHIEVE A HIGHER BRAND LOYALTY INDEX."

Jeffrey Liew, Executive Director, **UMISUSHI**