

Cash Automation is Changing the Game for Retailers

How Finance, Operations and Loss
Prevention Score Key Benefits





Cash may be popular with consumers, but it often presents challenges and extra costs for retailers. Manually handling, counting, reconciling and depositing cash every day, or multiple times a day, can be expensive.

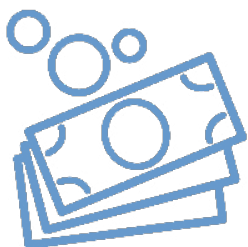
Most retailers don't know the true costs of managing cash because the process involves multiple components and store locations. It's difficult to track and quantify all the associated tasks. Even if processes are well documented, "soft costs" such as labor waste and error associated with manual processes aren't usually taken into consideration.

Retailers can improve cash management with processes that are easy to track, manage and implement across multiple locations. Smart safe technology and automated cash handling can help.

From streamlined operations to faster access to cash, the benefits for retailers add up quickly.

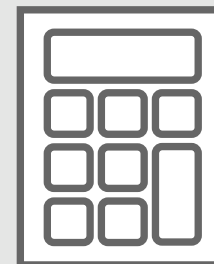
Benefit:

Maximize Cash Flow



“The cost of cash handling now ranges from 4 percent to over 15 percent for various retail segments.”

Source: Cash Multipliers – How reducing the costs of cash handling can enable retail sales and profit growth, IHL Group, 2018



Can a smart safe solution save you money?

Try this [ROI calculator](#).

In three easy steps, find out how much you can save by automating cash management.

Cash flow is critical. Retailers often operate on a thin margin, and every manually handled cash transaction has the potential to chip away at profitability.

Smart safe technology for cash management, however, can reverse that trend and even position retailers to work with their financial institutions to get provisional credit based on the cash deposited in the safes. Implementing that technology can help retailers improve cash flow and possibly make additional investments in the business.

Smart safe technology and automated cash management also can create a broad set of reports that helps retailers analyze their cash positions. Finance and operations teams gain clear visibility into cash activity in one or all stores. That level of intelligence permits each store to make important decisions concerning staffing, security protocols/procedures, float fund management, banking relationships and frequency of cash-in-transit (CiT) pickups.

Benefit:

Gain More Flexibility with Open Systems



“The ability for banks and hardware providers to offer retailers enterprise-wide cash visibility and management independent of CiT is itself a game-changer.”

Source: Remote Cash Capture 2017 Market Update: Take-Two for the Industry, Celent, 2017

In today's smart safe market, there are open-system alternatives that offer CiT-agnostic hardware and software solutions. CiT couriers are convenient because they take cash safely away, but they also have limitations. Many couriers require retailers use the proprietary hardware, software and services provided by the courier. Retailers are also locked in to long-term contracts with little flexibility. Yet with hundreds of stores in far-reaching locations, retailers may want to offer individual stores the freedom to use different smart safe hardware vendors, depending on each store's customized needs.

When it comes to transportation costs, a courier's price tag is based on several factors, including:

- Distance to the vault
- Ability to schedule additional stops on the same run
- Time needed in the store

Stores that are far removed from the cash vaults incur higher transportation costs, as do those with fewer stops on the route. And there can be hidden fees that add up quickly.

Operations can run smoother with a flexible approach that allows individual stores to choose their own courier based on location and preferred banking relationships. Retailers need the ability to change couriers if they are not satisfied with the level of service they expect.



Benefit:

Reduce Shrinkage and Reconciliation



“... shrink’s toll on the bottom line is significant. With an average shrink rate of 1.44%, this cost the overall U.S. retail economy \$48.9 billion in 2016.”

Source: 2017 National Retail Security Survey, National Retail Federation

Retailers know that handling cash increases the chance for theft or counting errors. How many times have cashiers ended a shift short of their balance? How much time do managers spend listening to explanations, recounting drawers and investigating shortages? It could be internal theft. Having this conversation with employees can be uncomfortable and demoralizing.

It could be an administrative error, an unknown loss event or a missing deposit at the bank. Those incidents happen frequently and take time to reconcile. These problems multiply with the number of bank and armored courier relationships.

Beyond employee theft, retailers that don’t use couriers open a window of vulnerability when transporting cash from the store to make a deposit. A store manager with cash in a deposit bag is a target, especially if the deposits are made routinely and can be easily monitored or predicted by criminals.

Smart safe technology automates cash counting and deposits and provides complete transparency to all transactions. Each transaction completed using the safe requires a personal username and password that corresponds to a specific staff member. With a dependable audit trail, employee accountability increases. Any resulting shortages are readily discovered and pinpointed with a software system that has configurable alerts and customizable reporting.

Counterfeit detection is another bonus of smart safe technology, which automatically identifies fraudulent currency, eliminating the resulting revenue loss when banks reject the cash.

An automated cash management and smart safe solution provides cleaner cash handling, streamlined store operations and reduced loss. That adds up to more profit.



Benefit:

Care for Customers Instead of Counting Cash



“16.3 percent of the cost (of closing out drawers) occurs due to the activities of opening and then rebuilding the change of cash drawers... and amounts to over \$15.7 billion annually.”

Source: Cash Multipliers – How reducing the costs of cash handling can enable retail sales and profit growth, IHL Group, 2018

Customers shop at convenience stores, quick-service restaurants and similar establishments for a reason. Convenience and speed of purchase offer competitive advantages against larger chain stores or e-commerce retailers. But how convenient and quick is it for a customer standing in a long line if the manager is counting cash, preparing deposits or driving to the bank instead of helping on the floor?

Simply put, retail stores run better when management is visible. The staff is friendlier and more attentive, the lines move faster and the

establishment is cleaner. The burdens of cash management divert the manager’s attention from responsibilities that more directly benefit customers or the business:

- Counting out and balancing cash drawers for every shift
- Preparing and making end-of-day deposits
- Ensuring enough cash is available to service customers

According to the 2018 IHL Group study, Cash Multipliers – How reducing the costs of cash handling can enable retail sales and profit growth, up to 71 percent of cash-related costs are the result of front-of-store activities such as replenishing change at tills and closing out drawers at the end of a shift.

Automation through smart safe technology can save time, reduce errors and give managers more free time to attend to customers, train employees and keep the store running smoothly.





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