

WHITE PAPER



Boost Profitability by Automating Cash

Automated systems can eliminate cash loss with speed and accuracy, allowing your staff to focus on building sales and profit.

By Jill Jaracz | Contributing writer, Fast Casual

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fiserv.

It's two hours past closing, and your manager is still reconciling the cash drawers for the day. She's frustrated. It's been a crazy shift, with a lot of cash flying around. Every drawer has been off, and it's taken multiple counts to get each one to balance. Not to mention trying to find enough of each denomination so tomorrow's shift can open smoothly. She also has a rather large deposit to drop off once she's finally done, which is another errand to run before she can finally go home and get some rest. And she hasn't been able to think about the fun promotional campaign that her store will be implementing next week, which is sure to boost traffic and sales.

She sighs, wondering if it will ever get easier. Luckily for her, it could, if her store automated its cash processes to help with money management.

Even with the rise of card payments, cash is still a popular form of payment. According to the Federal Reserve, consumers use cash to pay for nearly one-third of all retail transactions, which makes cash management still one of the most important aspects of managing a retail operation, particularly at QSRs, where transactions are smaller and cash is an easier way to pay.



In order to manage cash properly, retailers must:

- Start shifts with cash. This involves counting out cash drawers and checking them out to cashiers for their registers.
- End shifts by verifying and processing the cash from drawers that have been checked back in.
- Balance registers at day's end.
- Prepare the end-of-day deposits.
- Ensure enough cash is in the vault for the next day.

Today's cash automation systems can simplify these tasks, yet it can be difficult to see beyond the system's price tag to understand how much value it can create. The return on investment can far outweigh the initial expense, as it takes the heavy lifting out of cash management and frees up your staff to do other tasks and projects that can help the store grow.

The Top Five Reasons to Automate Cash Handling

Along with taking away some of the pain of cash management, including eliminating shrinkage and lowering the costs of cash processing, automated cash handling can help boost store profitability and staff productivity. Although these are true for one-unit stores, the benefits grow exponentially the more units in an operation. Here are some of the biggest ways automation can help your business.

1. Time Savings

Manual cash reconciliation is a difficult, time consuming process, involving counting, sorting and reconciling. If accounts don't reconcile, there's even more time spent trying to get them to match. Any extra time involved drives up labor costs, particularly at the manager level, as they're required to oversee cash drawer and vault operations.

Additionally, it's time consuming to make frequent deposits throughout the day. With an automated system, employees may make fewer but larger drops.

2. Theft deterrence

When cash is stored in an automated vault, it reduces employee exposure to cash. When an employee can't easily access cash, it reduces the opportunity for loss, particularly in the case of large drops. It also reduces the opportunity for external theft when making deposits.

3. High accuracy

When a machine can do the counting, it helps take human error out of the equation. Because money is only allowed to be stored in one place, managers don't have to worry about misplaced money. Automation enables quick and accurate cash counting and sorting, and can help eliminate the errors surrounding those two functions. Finally, because automation systems also generate reports, the opportunity for human errors in creating reports is significantly reduced. Overall, these features reduce not only the amount of time it takes to count, sort and report, but it helps eliminate the potential for errors.

4. Better customer service

Because cash automation frees up managers' time, they can now shift their focus to tasks that generate more revenue, such as better managing inventory, developing and executing promotions, and creating marketing efforts. They also have more time to focus on customers because they'll be able to spend more time on the front lines to truly understand the customer experience and make sure their needs are being met.

5. Real-time cash flow data

Cash automation systems can generate electronic reports, so no matter where a store manager or owner is, they can see their cash position quickly by logging into the reporting system. Remote access to cash flow data also helps managers and owners better understand what's happening at the store even when they're not there. In terms of owning or running multiple units, this can truly help with responding to situations quickly and in creating long-term strategic plans.

Options for automated cash handling

There are a number of systems for automated cash handling on the market that provide functional and informational benefits to help their users realize savings around cash management. These systems can all accept, authenticate, sort and count cash, and some also dispense cash. Becoming familiar with the options on the market will help you understand what will be best for your company, as some systems work better with lower-volume stores, while others are better for higher volume or multi-unit operations.

Smart safe solution

Smart safes are systems that accept cash and validate cash deposits. They typically work in conjunction with an armored car service, which monitors the safes and accepts the liability for the cash inside.

When users insert cash into the safe, the safe will validate and count the cash. It then can communicate with the armored car service to tell the bank of the upcoming deposit. Banks can then credit the deposit before the cash physically gets there, meaning that merchants can bundle their deposits and make fewer trips to the bank.

Smart safes cut down the time needed to balance drawers and prepare bank deposits. The information the safe can provide includes a detailed audit report that can match up individual transactions to specific users. Multi-unit merchants can also connect the safes to their network to manage them centrally and better understand their cash position in real time.



Cash recyclers

Cash recyclers are ideal for retailers that have a high level of both cash receipts and cash payouts, as this system can manage both processes. This secure vault accepts and authenticates cash and then stores it within its vault. When it's needed, the system can "recycle" the cash and dispense it, removing the need for manual cash handling.

A cash recycler automates the cash cycle, keeps money securely stored and accurately counts the cash on hand. This saves time on cash handling while adding a higher level of accountability to the process.

Cash dispensers

Cash dispensers are designed for operations that have a higher proportion of withdrawals to deposits. They do exactly as they're named: They dispense cash. This allows for fast, accurate cash transactions, and removes the need to focus on manually counting out cash to a customer. All money is stored in a restricted-access secure safe, which reduces the exposure to an open cash drawer, keeps cash more secure, and requires less restocking of a cash drawer.

Businesses can integrate their core processing system with the cash dispenser in order to automate end-of-shift and end-of-day processes, which can save time at closing. Managers can also focus more time on customer service instead of supervising cash being moved out of a central safe or vault.

End-to-end solutions

End-to-end solutions not only automate cash handling, but also the processes around it, including management and service of the safe or vault, troubleshooting, vendor management and vendor communications. This frees up staff time for having to troubleshoot or deal with any technological issues, outages or managing service of the safe or vault. These solutions can also provide extra security in reporting potential tampering with the system.

Ease of implementation

While implementing technology may sound complicated, manufacturers have designed these systems to meet retailer realities of differing employee skillsets and high employee turnover. Therefore, these systems are designed for ease-of-use and ease-of-training, making them an easier choice to protect one of a store's most valuable asset: its cash.

Choosing to automate cash handling can be a wise investment that produces a big return by managing redundant tasks that can be prone to error, and frees up time for your staff to work on more strategic tasks to develop better customer service and higher sales.

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