WHITE PAPER

Three Essential Steps to Streamline Cash

>> A Playbook For Bankers and Retailers
STEP 1: RECOGNIZE THE IMPORTANCE OF CASH

Conversations about the demise of cash are common today, but research tells a different story. While the number of new payment options continue to grow, cash is still the most popular payment type and accounts for 32% of all transactions in the United States. Surprisingly, cash is growing in favor among younger generations. A Federal Reserve report from the Diary of Consumer Payment Choice reported that consumers, aged 18-24, often termed “young millennials”, used cash in 38% of their payments last year, more than any other group.

Regardless of age, cash still dominates small value payments, boasting 50% of all payments under $25. The amount of U.S. currency continues to climb and has nearly doubled from 2000 to 2016 with 39.8 billion banknotes now in circulation.

Cash cannot be hacked, traced to a specific individual, or enable someone to spend more than they have. Tax implications, personal preference, anonymity, credit constraints, price discounts and demand are just a few of the reasons that cash continues to be a driving force in all economies.

There is also another, more emotional, reason for using cash: familiarity. “Cash has been part of our childhood. It’s engraved in our memories: the coins in your pocket or clutched tightly in your fist when you buy some sweets at the corner store. The rustle of bank notes when you count your first self-earned money. Our memories create a universal emotional attachment to tangible money.” Says Dr. Wolfram Seidemann, CEO of G+D Currency Technology.

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Dr. Wolfram Seidemann

Because of consumers’ ongoing love of cash, bankers and retailers are compelled to offer currency services and accept cash as payment.
The good news is that by focusing on workflow and new technology to streamline currency processing, the costs associated with handling physical currency can be reduced and many other benefits can be realized including:

- Enhanced productivity
- Improved customer service
- Safety and security of employees
- Reduced losses
- Improved record keeping
- Reduced idle cash
- Full compliance

**STEP 2: ANALYZE YOUR CASH PROCESSING**

With interest rates on the rise, taking a hard look at optimizing cash processing can result in significant cost savings by reducing idle cash. The diagram above shows the entire Cash Cycle and how cash moves from The Federal Reserve Bank to Cash Centers, Cash in Transit (CIT) organizations, financial institutions, businesses and individuals. With so many steps and so many parties, the opportunities to improve cash handling efficiencies are abundant.

**Branch Cash Analysis**
The average bank branch has $400k in cash on-hand (Clear Lake Consultants, 2017). While some branches may need this amount, many do not. Reducing the amount of cash on-hand offers significant savings. According to Rob Aulebach, a former retail banking executive, “For large bank networks, reducing idle cash on hand could save millions of dollars.”

**Business Cash Analysis**
Businesses including small retailers, liquor stores, coffee shops, bars and restaurants are cash-heavy and rely on their local banks for both deposits and store float. Handling cash always provides opportunities for error and theft. According to a PwC Canadian Retail Security Survey, internal theft has grown from 19% to over 33% since 2008.

G+D Currency Technology can assist you with a cash analysis. Our experience with banks and currency intensive businesses can ensure that you are following industry best practices.

**Steps to Analyzing Your Cash Processing**
The following steps are used to analyze cash processing within an organization.

1. Create a process flow diagram showing exactly how cash enters and exits.
2. Determine if the process varies by location. Include teller line, night drop and daily audits.
3. Observe and measure if there is downtime throughout the process. Note whether unfit bills are being recirculated and causing jams. Review the on site equipment age and type.
4. Analyze front-line processes for cash and determine if steps can be taken to recycle cash faster, minimize idle cash and reduce manual cash handling. Consider night drops and ATM loading and unloading as these are key areas for improving efficiency.
5. Discuss currency handling with employees to uncover issues with counterfeits, inaccurate counts or long wait times for commercial deposits.
6. Discuss currency issues with the management team to determine if there have been any issues with loss due to fraud, theft or customer service issues.
STEP 3: IMPROVE WORKFLOW

Once an organization has analyzed its current cash flow, the next step is to investigate and implement both workflow enhancements and new technology to increase efficiency. Reducing the number of times currency is handled by employees is key. Visiting other financial institutions or businesses can be helpful to identify best practices and set a benchmark. There are five areas where streamlining cash may have a big impact:

1. **Inventory management** - cash forecasting, employee scheduling and till mix and usage
2. **Reconciliation** - till balancing, cash in/cash out, closing the business at end of day
3. **Operations** - cash handling, data entry, checks and deposit prep
4. **Loss Prevention** - loss tracking, verification and incident management
5. **Reporting** - business tools, data stats and decision making information.

The choice of currency equipment is essential for optimizing cash handling and there are many new technology choices to consider. A currency discriminator is a good place to start. Other devices to explore include smart safes and recyclers.

**Currency Discriminators**

When optimizing currency handling, the right device can make a big difference. For example, all bank branches and many businesses have banknote counters. They may be new or old but their basic function is the same and very limited – count the cash. Upgrading a banknote counter to a versatile currency discriminator can be extremely helpful in detecting counterfeits and sorting cash by orientation, fitness and denomination.

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**The Bottom Line**

Consumers’ love of cash is ongoing, tasking banks and businesses with streamlining cash processing even while they adopt electronic payment solutions. A currency processing expert like G+D Currency Technology can help you automate your cash handling and leave you and your staff to focus on what’s truly important - growing your business.

**>> The volume of U.S. banknotes in circulation has nearly doubled since 2000.**

Federal Reserve 2016

**>> Cash is the most popular payment type and accounts for 32% of all U.S. transactions**

Federal Reserve 2016
ZEUS CURRENCY DISCRIMINATOR

ZEUS is a remarkably quiet and compact currency discriminator. Weighing less than 20 lbs, ZEUS can not only count cash, it can also authenticate currency.

The 1 + 1 configuration (one stacker plus one reject pocket) means never stopping for a counterfeit, wrong denomination or incorrect face. Those notes go into the reject pocket while counting continues.

>> ZEUS can not only count cash, it can also authenticate the currency.

Multiple strapping features allow for strapping by number, amount and denomination, making it easy to fill a cash drawer. For incoming deposits, ZEUS can quickly handle a large commercial deposit while a two-sided customer-facing external display reassures the depositor that the count is accurate.

ZEUS is ideal for a bank branch or in the back office of a retailer and is available only in the U.S.

For a demo please contact:
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ABOUT G+D CURRENCY TECHNOLOGY

The value of money is based on confidence. In a dynamically changing world, G+D Currency Technology shares its unique knowledge of securing values. As a leader in currency technology in all key areas of currency circulation, we are constantly maximizing productivity, efficiency, and profitability. Our reliable family of banknote processing solutions offers a wide range of options from high speed systems used at high volume cash centers, central banks and casinos to compact, quiet efficient systems designed for tabletop use at bank branches and retailers.

With over 165 years of experience, G+D is actively helping shape one of the most important trends of the future: security. The long established technology group creates confidence in global payment transactions, modern communication, digital identities, and data security, by providing innovative products and solutions.

>> Securing values in a connected world

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Shaping the future of cash together