



GLORY

7 Reasons to Deploy GLORY TCR's



AUTOMATED TELLERS

GLORY is a leading innovator in cash recycling, having installed more than 100,000 Teller Cash Recyclers (TCRs) worldwide. The introduction of this technology, whereby cash deposited at retail branches can be made available for customer withdrawals, has redefined the nature of in-branch banking – having implications for costs, security, revenue generation, customer service, design and, of course, profitability.

The traditional role of the teller involved dealing with large numbers of labour-intensive manual transactions. Cash based transactions involved the sorting, authentication and counting of large numbers of notes of varied denominations. This involved minimal customer interaction as tellers were focussed on the notes and, for security reasons, there would normally be a security screen between the teller and the customer. The automation of these expensive and inefficient customer facing transactions; lowers transaction costs, reduces the time spent handling cash, increases accuracy and frees up resources.

WHY RECYCLE?

The introduction of recycling technology enhances the benefits of automating cash handling and redefines the case for retaining a branch network in the face of the growth of the internet and mobile banking channels.

Financial Institutions and retailers across the globe continue to benefit from deploying recycling technology in all of its guises. This white paper explores the benefits of recycling, and specifically Teller Cash Recyclers. From security and job satisfaction to beginning the journey to branch transformation.



BRANCHES – NOW AND IN THE FUTURE

“WE STILL HAVE ONE MILLION PEOPLE COMING TO OUR BRANCHES EVERY DAY, AND THEY NEED THAT CHANNEL. SOME NEED TO TRANSACT, BUT A LOT OF THEM COME IN FOR ADVICE AND WE WANT THEM TO DO THAT. SO WE NEED A CERTAIN FOOTPRINT OF FINANCIAL CENTRES”.

Paul Donofrio, CFO Bank of America
(The Financial Brand, February 2017)

As more and more people move their transactions online, the questions that financial institutions need to ask themselves are, “Why do people still choose to visit a branch” and “Why does the branch still form an integral part of an omni-channel retail banking offer”?

People still want personal interaction when it comes to more complex financial products and recent evidence shows that this attitude is by no means confined to older people. Independent research suggests that Generations X and Y also value the personal approach available in the branch. Financial services products can often be very similar due to the regulatory restrictions and level of competition within the market place, making retail banking a challenging environment to attract new customers and increase profitability. One of the ways in which financial institutions can compete is their ability to deliver an amazing customer experience. Having an amazing customer experience in-branch, through engaging conversations with staff and faster transactions can enhance the consumer experience, improving revenue and customer loyalty.

An article in Samsung publication Insights (25 September 2018) highlighted Celent research, which showed that ‘more than a half of US adults (55%) prefer in-person interaction with their bank when a conversation is needed and only a small minority (6%) are looking for a fully digital experience’. The Celent study also demonstrates that 70% of Millennials use branches and in person interaction for ‘loans, financial advice and opening an account’.

BRANCHES – NOW AND IN THE FUTURE [continued]

But simply providing business advice centres is not enough. People still expect to be able to perform transactions such as cheque cashing, cash deposit and withdrawal at the branch. The challenge is to provide these services in a cost-effective manner while enabling cross selling of financial products and an appropriate environment for those seeking financial advice. By deploying TCR's, cash processing is simplified to the point where all staff can easily be trained to handle cash transactions. TCR technology is capable of enabling and supporting a financial institution's move to a "Universal Banker" staffing mode.

The future of branches is often a great source of debate within retail banking. One thing that cannot be in doubt is that a physical presence is as essential for FI's as it is for retailers. The largest online retailers in the world are continuing to make progress in developing their physical store presence. The process for FI's is slightly different, there is decisions to be made around the size and nature of the branch. Throughout the decision-making process on how to best move forward with branch real estate, implementing TCRs can begin the transformation of the branch, customer service and the consumer experience.



Release tellers to deliver higher levels of customer engagement and experience; improving job satisfaction and cross selling opportunities.

DEPLOYING TCRS

How does the deployment of TCRs impact the case for continued use of bank branches?

It is frequently argued that as new digital channels have evolved, so the case for operating a costly branch network needs to be scrutinised. Labour intensive transactions, it is argued, are too costly and add little value to the organisation. This may be true where financial institutions continue to operate in a traditional manner, but recycling at the branch has significant implications for costs and the opportunity to drive revenue.

One approach when analysing cost savings is in terms of time saved when a typical cash transaction is automated. With the deployment of TCRs we have recorded time savings of between 7 and 10% for each deposit and between 30 and 50% for each withdrawal. As well as improvements in teller productivity there will also be significant savings due to the elimination of teller error as a result of the automation of sorting, counting and authentication functions.

However, talk of improvements in transaction times is only part of the story when it comes to cost savings in the branch. TCRs will have implications for cash flow management, the volume of cash held in the branch and the number of “cash in transit” (CIT) operations. In each instance Glory has researched the implications for the bank and this will form part of the later narrative.

Shift Opening: save between
5 and 10 minutes per teller.



Shift Closing: save between
5 and 20 minutes per teller.

CUSTOMER SERVICE ENHANCEMENT

What are the implications of cash recycling for the customer?

As time spent focussed on counting and validating cash declines, the opportunity for improved customer engagement and interaction increases. The impact on the consumer can be seen in three ways; firstly, making customers and branch associates feel more valued as interactions can become more personal. Secondly the number of sales opportunities that an FI has increases exponentially, giving customers the best chance of taking the best offers increasing the loyalty that consumers feel. Overall transaction times are reduced and this in turn means shorter lines and time waiting to be served. The result of shorter waiting times and the improved customer experience can be far reaching for financial institutions as the power of word of mouth about the experience of banking with these organisations spreads more customers may be attracted.



Higher customer satisfaction with shorter queues, and reduced customer perception of queuing time.

A NEW TYPE OF SECURITY AND A CONTEMPORARY BRANCH DESIGN

The introduction of recycling technology means the removal of open teller drawers with notes, instead being held in a certified UL/CEN rated safe. Cash is no longer exposed and as well as deterring criminals this should result in lower insurance premiums. Our technology can enhance the security and integrity of banknotes in circulation because of Glory's advanced suite of authentication, identification and fitness detection capabilities. However, there is perhaps a more significant benefit in that enhanced security enables the removal of Perspex screens and a new approach to branch design. Innovative institutions now provide an open plan, welcoming, environment geared to enhanced service and increased sales.

¹<https://www.mckinsey.com/industries/financial-services/our-insights/reimagining-the-bank-branch-for-the-digital-era>

In the omni-channel environment, the customer experience in the physical bank branch represents a clear competitive opportunity to provide a compelling interaction. Financial institutions have clear incentives to pay close attention to the branch and the influence that the design can have on the customer experience. McKinsey & Co¹ wrote the December 2017 article, Reimagining the bank branch for the digital era, "While banks should have been attending to this area (design of the branch) all along, many have allowed it to become a lower priority leading to an uneven customer experience."

“THE RADICAL REDESIGN OF BOQ BRANCHES IS ALREADY EXCEEDING THE EXPECTED GROWTH TARGETS, WITH MORE THAN DOUBLE THE DEPOSIT AND LENDING RESULTS PER REFURBISHMENT ACHIEVED.”

Robbie Morris, Senior Manager of Corporate Transformation
Bank of Queensland, Australia

A NEW TYPE OF SECURITY AND A CONTEMPORARY BRANCH DESIGN [continued]

The opportunity to transform the branch into more radical formats, for example, “lounges” or “smart branches,” has given the branch of the future the potential to become a sales hub that is supported by innovative technology. The customer focus of these sales hubs when combined with innovative technology enables consumers to have exceptional in-branch experiences when using the bank for both traditional labour-intensive cash transactions and complex product transactions. By creating more welcoming spaces in the branch, enabling a personal touch to customer interactions, you can differentiate yourself from the competition and increase revenue.

Take the example of Glory client Purdue Federal Credit Union. The credit union has worked closely with Glory to increase security and redesign its branches. The introduction of TCRs has enabled Purdue to shift from teller lines behind Perspex barriers to a ‘dialogue pod’ system with increased focus on personal member relationship to help secure new accounts, loans and other sales.



Enables open-plan, ‘retail-style’ branch design to optimise efficiency and enhance customer experience.

TANGIBLE BENEFITS BY DEPLOYING TCR'S

STAFF RETENTION

High levels of staff turnover have proved a challenge for large numbers of banks. The repetitive nature of the work, poor customer interaction and high levels of stress have frequently been associated with low staff retention. With the technology taking the strain and enabling a more diverse customer facing role then the nature of the job has changed, though it should also be recognised that this now requires new skills and training. The implementation of recycling being executed correctly allows the branch associates to broaden their horizons, giving them more opportunity to find meaningful conversations and interactions with customers, and leads to greater job satisfaction.

REVENUE GENERATION

As the customer facing role changes, greater interaction and new branch configurations enable branch staff to maximise revenue generating opportunities. Customer facing staff are more engaged with their job, and they have meaningful opportunities to achieve the sales targets that have been set for them. Our customers have seen an uplift in sales in branches where TCRs are deployed versus branches where TCRs are not deployed by 5%. The ability to migrate transactions to desk side transactions in one Glory customer has created 1,000,000 new sales opportunities in the 100 branches that they have deployed TCRs.

“IN ONLY SIX MONTHS, WE HAVE SEEN IMPROVED FOCUS ON THE MEMBER AND TO MEMBER SERVICE, WHILE ALSO INCREASING EMPLOYEE MORALE, SECURITY AND BRANCH SALES PERFORMANCE.”

Heather Nally, VP Sales and Service
Purdue Federal Credit Union, USA

“ONE THIRD OF OUR NETWORK HAS DEPLOYED TELLER CASH RECYCLERS AND THAT THIRD IS PERFORMING 5% BETTER FROM A SALES STANDPOINT.”

Ben Hopper, Vice President Retail Strategy & Transformation
First Tennessee Bank, USA

TANGIBLE BENEFITS BY DEPLOYING TCR'S [continued]

VOLUME AND MOVEMENT OF CASH – AN ANALYSIS OF THE BENEFITS

TCRs enable a more efficient means of operation and deliver significant savings. Glory's research indicates the benefits that can be achieved by deploying TCR's impact a number of labour and time intensive processes associated with managing the flow of cash, including start and end of day balancing activities. Our research shows that time spent counting banknotes will be reduced by between 40 and 55%. In addition to this the elimination of manual start (5-10 minutes per teller) and end of day (5-20 minutes per teller) balancing leads to further savings and reduction of inter till transfers will mean a time saving of up to 10 minutes per transfer.

Recycling means a better use of cash in the branch – cash remains active. Automated sorting and validating of notes in the branch enable the re-use of this cash, for example in the branch ATMs. By this means cash inventory can be reduced by up to 40% in the branch.

The ability to reuse cash that is held in the branch will lessen the need for CIT trips and thereby further lower costs. Cash in transit fees can be reduced by between 22 and 47%.



“COMBINING START-OF-DAY PROCESSES, DAILY CASH TRANSACTIONS AND END-OF-DAY BALANCING BANKIA HAS ACHIEVED A SAVING OF 50 MINUTES PER TELLER, RESULTING IN INCREASED PRODUCTIVITY OF 10.4%.”

Bankia, Spain



Reduced insurance premiums with up to 40% less cash held in-branch.

TCR CHECKLIST



Let's make it simple. Do you want to have a branch network, and do you wish to:

- 1 Reduce branch operating costs?
- 2 Improve teller productivity and job satisfaction?
- 3 Enhance cash security?
- 4 Lower CIT costs?
- 5 Improve the customer experience?
- 6 Generate new sales opportunities?
- 7 Enable and support bank initiatives such as open plan banking and universal bankers?



If your answer is YES, then please contact Glory now:
www.glory-global.com



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