

# White Paper

## Retail Cash Management: Transformational Technology



# The Need for a Transformational Technology Solution

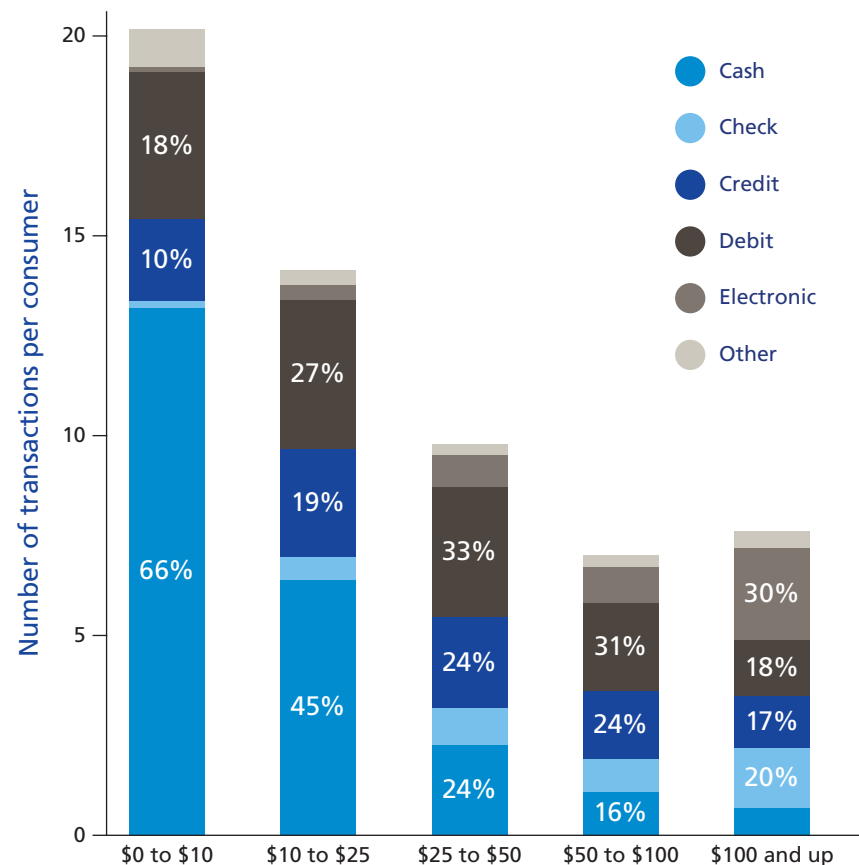
We have all heard that cash as a payment method is in decline and will be overtaken by other payment systems in the near future. While other payment methodologies will certainly grow in popularity over time, even the most aggressive projections predict about an 8% decline in cash transactions over the next 5 years. In short, cash remains a viable payment option and it is here to stay!

According to the Federal Reserve’s Cash Product Office study data, the largest share of retail transactions are paid in cash. The Fed’s April 2014 report states “Cash plays a dominant role for small-value transactions, is the leading payment instrument for many types of purchases, and stands as the key alternative when other options are not available.”<sup>1</sup>

Of course the percent of cash transactions varies widely by type of retailer, but suffice to say, that cash plays a role in nearly every situation.

At Glory, we see four high-level “realities” connected with the handling of cash and processing of cash payment transactions. For most retailers, accepting **cash as a payment method is unavoidable**, and as we have just discussed, it may represent a very significant part of the transaction mix.

## Use of payment instrument by transaction amount



<sup>1</sup> Federal Reserve CPO Reports, Cash Continues to Play a Key Role in Consumer Spending, April 2014

## Handling cash is time-consuming

Machine-assisted or manual processes in the cash office or at the POS impact accuracy, productivity and even loss. At the front-end, it can detract from the overall customer experience and act as a distraction for your staff.

**Cash is also expensive to handle**, process, reconcile, transport and secure.

And, because it is cash, there are always **concerns about risk of loss**, whether from internal or external theft or fraud involving counterfeit notes or 'sweetheart' schemes.

While we can agree that all these things make cash expensive to handle, it is difficult for retailers to nail-down the "total cost of cash" in their store operations. Other payment methods such as credit and debit provide a monthly bill, but it's certainly not that simple with cash!

Industry experts, such as Celent have provided research that defines the composition of the costs associated with cash, concluding that well over 50% of those costs being incurred as in-store labor related costs.<sup>2</sup>

While improving efficiency and cost reductions remain top-of-mind for retailers, there is also a compelling imperative to transform the in-store experience in order to remain relevant in today's omnichannel world.

<sup>2</sup> Cashing in on Remote Cash Capture: Overview and Market Opportunity, Celent, 2011.

The simple fact is that, unless you are a bank, cash is not a strategic product. Glory believes that successful retailers in the future will implement cash interaction technology solutions that take the focus off of handling cash and empower and enhance customer interactions. Such solutions also save considerable costs and eliminate inefficiencies associated with traditional cash handling, freeing associates to focus fully on their customers, the products they sell, as well as how they sell them.

The enabling force for this transformation is the efficiency gain as a result of the proper application of automated cash recycling technology to cash interactions for staff as well as customers. By using cash recycling technology for both coin and banknotes, at the POS as well as in the back office, today's retailer can launch a frontal assault on the cost of cash and change the focus of customer transactions.

*By using cash recycling technology for both coin and banknotes, at the POS as well as in the back office, today's retailer can launch a frontal assault on the cost of cash and change the focus of customer transactions.*

## Cash Recycling: Transforming Cash Interactions

Earlier, we noted the four realities of cash in the retail world: cash is a popular payment method, and it is here to stay. Handling cash is expensive, and at the same time, risky and time-consuming. We also touched on cash recycling as a Transformational Technology that will not only attack the retailer's considerable cost of dealing with cash, but also deliver other significant benefits critical to retailers in the future.

Glory Global Solutions addressed these realities with our technology called CashInfinity because it offers a scalable suite of products and software that enable effective cash interactions in your stores and across your enterprise by addressing the needs of all store profiles. The solution is modular in that it can include cash recycling technology implemented at the point-of-sale and in the back office, generating significant efficiency improvements in both areas.

At the POS, compact banknote and coin recycling devices can be installed at the point-of-sale and positioned to face either the cashier or the customer. These devices receive and authenticate the coins and notes tendered and store the lower denomination notes and coins to be reissued as change in a subsequent transaction. The larger denomination notes are secured and stored for later movement to the back office. Removing manual counting duties, your sales associates can now focus fully on the customer and deliver an efficient and effective customer interaction experience.

In the back office with our cash consolidation and recycling system, retailers can implement a front-to-back, more secure cash management system in their stores, making a major impact on back office efficiency, reducing cash exposure and improving risk of loss.

After all, counting and re-counting money is not productive, prone to errors and often lacks the proper controls. With cash recycling, the efficiency gains can provide a new level of effectiveness for your stores, whether measured by improved cash security, a more focused and engaged staff, or a better experience for your customers.

In addition to increasing count accuracy and reducing staff time spent counting (and recounting) notes, cash recyclers improve the identification of potential counterfeit notes and function as secure storage units for cash, which reduces theft and increases safety for employees and customers. Cash recycling also allows retailers to manage their in-store cash levels such that the amount of cash needed can be reduced by as much as 20%.



## What you gain by implementing our technology

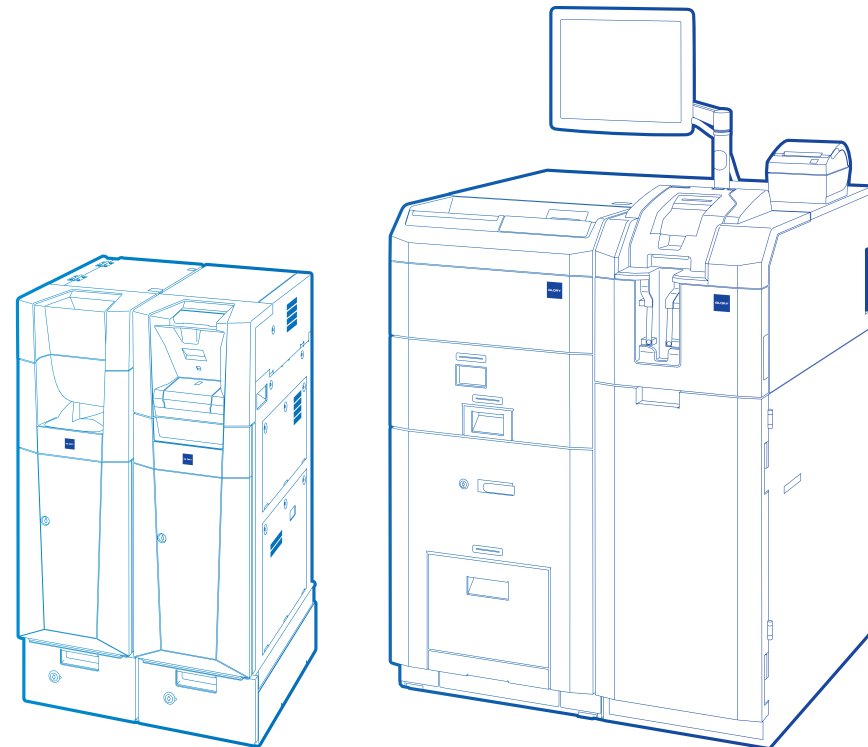
By implementing Glory Global Solutions' innovative cash interaction technology solutions, balancing and other cash-handling concerns are all but eliminated. Sales associates experience reduced stress levels, and can now execute up-selling or value-add selling initiatives with greater effectiveness. In today's connected omnichannel world, it is more important than ever before to close the sale while the customer is in your store to head-off any 'showrooming' scenarios.

The check-out experience can make a lasting impression on your customers. Moving efficiently through the line and interacting with an attentive sales associate are keys to making the right impression and satisfying your customers. Conspicuous technology such as cash recyclers at the point-of-sale also add to customer convenience and the overall experience while also keeping cash transactions flowing through the checkout process.

Tesser, a San Francisco-based brand strategy and design firm working in conjunction with the FMI, recently completed a year-long study with industry thought leaders, grocery CEOs and technology leaders to formulate the *Retail Experience of the Future*. As part of that study, Tesser noted the following about technology's part in that future: "Technology will enhance the consumer experience without being disruptive."<sup>3</sup> Glory agrees with that vision in the case of cash-handling devices!

<sup>3</sup> Retail Experience of the Future Study, Tesser, FMI Press Release, June 11, 2014

While retailers have used some level of automation and technology to address their cash processing requirements in the past, technology has now advanced to the point where a new approach is needed. With CashInfinity and cash recycling as its core technology, Glory is happy to offer a front-to-back, transformational technology that improves cash interaction efficiency in the store and throughout the enterprise while also improving the effectiveness of your staff and store operations, all leading to the delivery of a superior customer experience.



## Glory's Proven Process and Your Success

As the recognized global leader in cash recycling systems, Glory has the depth of experience and know-how to deliver the correct solution for every retailer. Our proven four-step process ensures that the solution we recommend will meet and exceed your expectations for performance and ROI.

The initial "Discover" step involves fact-finding about your current cash-handling processes and challenges. The "Design" step follows. In this step Glory develops a complete business case including ROI and process improvement expectations. Once the solution is designed, a complete plan is crafted to properly "Deploy" the solution including agreed process improvements and industry best practices. Along with this is an emphasis on facilitating change management while also minimizing disruption to your store operations.

Finally in Glory's process, the word deliver is not an event that happens when something is shipped. Our "Deliver" step is our commitment to your success. This simply means that the ROI and outcomes anticipated will be delivered along with outstanding service and support for the long-haul.



### Discover

Understand your  
business needs  
and analyse  
your objectives



### Design

Define the right  
solution to address  
your specific  
objectives



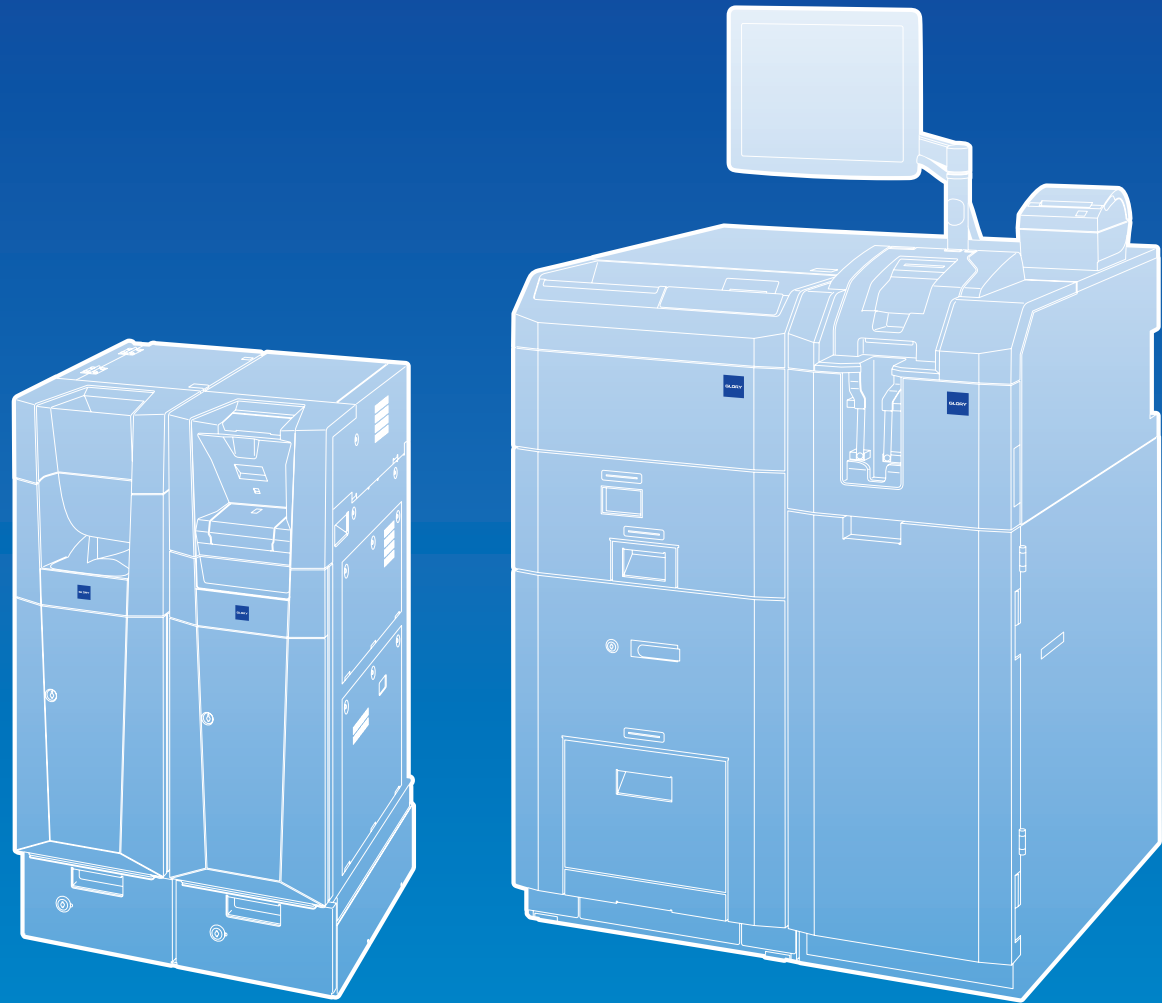
### Deploy

Implement the agreed  
upon solution, including  
required changes to  
policies and procedures



### Deliver

Monitor and measure  
the changes within  
your organization



WP-RETAILTRANSFORMATION-0415



## Glory Global Solutions Inc.

3333 Warrenville Road, Suite 310, Lisle, IL 60532 USA

T +1 (800) 527-2638, F +1 (630) 577-1217, [info@us.glory-global.com](mailto:info@us.glory-global.com)

[www.gloryglobalsolutions.com](http://www.gloryglobalsolutions.com)

Glory Global Solutions is part of GLORY LTD.

This document is for general guidance only. As the Company's products and services are continually being developed it is important for customers to check that the information contained herein includes the latest particulars. Although every precaution has been taken in preparation of this document, the Company and the publisher accept no responsibility for errors or omissions. The Company and the publisher accept no liability for loss or damages resulting from the use of the information contained herein. This document is not part of a contract or licence save insofar as may be expressly agreed. All capabilities and capacity and throughput figures are subject to note/coin size, note/coin quality and process used. GLORY is a registered trademark of GLORY LTD. in Japan, the United States of America, and EU. © Glory Global Solutions (International) Limited 2015.