



Driving Your Working Capital

The power of cash in perpetual motion

Automate | Authenticate | Secure | Accelerate

UNLOCKING THE VALUE FROM CASH

Retailers don't need to be told that cash matters – they see this on their bottom lines every day of the week. Cash transactions still account for around 20% of retailer income by value in most countries, and is used for up to 75% of all transactions. Retailers know that cash will stay important for many years to come, yet to move cash from the point of sale terminal to the bank account can be a long and complex process. Retailers generally cannot extract the value from cash in the form of working capital until that process is complete – often only after processing timescales exceeding three days from point of sale to point of bank credit.

Our take on this is simple: cash standing still loses value. Cash on the move delivers value. That's why we believe in keeping Cash in Perpetual Motion, turning payments received in store into flexible, usable working capital at the highest of high speed. The faster and more securely cash moves through the handling process, the more value is retained and turns into better performance on the bottom line.

**CASH TRANSACTIONS
STILL ACCOUNT FOR
AROUND 20% OF
RETAILER INCOME
BY VALUE IN MOST
COUNTRIES.**

Source: Aggregation of multiple industry reports



THE TRADITIONAL RETAIL CASH CHAIN

Today, all cash taken by retailers has to travel through a Retail Cash Chain on its way from point of sale to bank. Details of the cash chain may vary within each different retailer, but the key process stages, as they exist today, are:

- 1** Receive cash at Point of Sale, authenticating the money tendered and providing change.
- 2** Move cash from Point of Sale at regular intervals, securely transporting it to the back office.
- 3** Count cash accurately after secure storage in the back office.
- 4** Collect cash, often using a specialist Cash In Transit (CIT) provider (certainly for large retailers), which may recount and temporarily store on their own premises.
- 5** Take cash to the bank and pay it in. In most cases there may also be a return journey from bank to retailer to deliver cash for use as change.

Cash takings will normally not affect the retailer's balance sheet until the final stage, unless there is a special arrangement between retailer and CIT provider to provide provisional credit based on forecast cash deposits, validated by historical information.

Even in those markets where provisional credit arrangements are normal (and they still remain rare in some national markets) it is clear that the longer it takes to turn cash received into effective working capital, the less value the retailer will receive. So what can we do about it?

FOUR KEY PRINCIPLES

To ensure rapid access to the value of this cash, Glory has established four basic principles that can be used to Optimize the Retail Cash Chain and speed time to value. They are:

- Authenticate, using CASHINFINITY™ solutions at one or both of the Point of Sale and Back Office locations, to test and validate all cash tendered, thereby ensuring that all cash entering the process is valid.
- Automate, by reducing the number of human touch points all the way through the process and taking staff out of the cash room itself. This frees up staff time for productive activities, reduces the amount of space needed (which can be redeployed for merchandising use) and significantly cuts cost.

- Accelerate, by using a combination of technology and superior process design to speed up every stage in the cash chain, while seeking opportunities for continuous improvement.
- Secure, safeguarding process integrity, ensuring value is not lost in any way due to theft, fraud or accidental loss, thereby delivering the full value of cash received in the form of working capital.

These principles can be seen as basic common sense, but putting them into practice requires vision, specialist skills and a clear focus on value delivery at all times.

PERPETUAL MOTION

Cash has many advantages to retailers but its value starts to erode the longer it takes to make its way through the Retail Cash Chain. Cash that stands still loses value because retailers cannot use it for investment or rapid account settlements, and this places pressure on the retailers' credit position or demands on working capital, leading to margin reduction and weaker cashflow. As margins for most retailers are already wafer slim, the positive impact of driving out cost and banking profit faster can make a big difference.

Cash that moves fast through the system all the way to the bank creates a virtuous circle, in which strong cashflow can be used to negotiate lower prices with suppliers (thereby building margins or enabling sharper pricing for customers), reduce borrowing costs and strengthen the balance sheet. This is, in turn, the key to establishing competitive advantage in the marketplace, while it also cuts cost to serve (by improving operational efficiency) and enhances customer service (by automating key process steps).



PERPETUAL MOTION

Rapid improvements will be delivered by intervention at four key points in the Retail Cash Chain:

Point of Sale. Glory CASHINFINITY systems accept tendered cash from customers with or without cashier intervention. This leads to automated authentication and validation, together with rapid cash recycling, which speeds up the in-store cash cycle. Staff are also freed to engage with customers, creating new sales opportunities and improving satisfaction levels. The result is to unlock value from cash fast and strengthen customer loyalty, while cutting down or even cutting out the need for change deliveries from the bank.

Transport in store. Glory CASHINFINITY systems employ highly secure cash interface modules, which can be removed and safely taken to the back office. This reduces the number of journeys in store, cuts the number of person hours required, enables labor to be redeployed to customer-facing activities and dramatically reduces shrinkage.

Back office accounting. Automation dramatically reduces the time and labor requirements needed for counting cash in the Back Office. This cuts down on labor requirements in the cash room, frees up space for merchandising and all but eliminates losses due to human error and fraud.

Cash in Transit. CIT specialists will include a cash counting and rationalisation service in order to finalise what has been begun in client back offices, and this is especially true of chain stores with multiple outlets in the same geographic area. By improving the quality of the processes earlier in the chain, the CIT provider's job becomes simpler, enabling lower costs for handling and faster time to the bank.

WHAT NEXT?

Every retailer is different and the precise details of their retail cash chain, together with its current status, will differ. It is essential to identify where targeted investment can make the greatest positive impact on turning cash into working capital faster than at present. Retailers operate in the most competitive and unforgiving commercial environment of all: no investment can be undertaken that does not have the clearest possible path to rapid return.

Step by step we help retailers speed the flow of cash on its way to the bank and the result will be measurable bottom line improvement at every step. Cash remains vitally important to retailers, and Cash in Perpetual Motion through the use of Glory's CASHINFINITY solutions is the key to unlocking the full value of cash, fast.

For more information on
Glory's CASHINFINITY solutions
visit www.glory-global.com
or speak to your sales representative



Related solutions...

CI-10

Compact cash recycling solution, enabling automated cash handling at point of sale positions.



CI-100

Fast secure cash processing and storage in the back office.



CI-SERVER

Centralized management of cash throughout a store in the front and back office.



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