



# What is Cash Recycling?







# WHAT IS CASH RECYCLING?

Handling cash is essential for all retailers. According to the Federal Reserve Bank of San Francisco and their 2019 Findings from the Diary of Consumer Payment Choice, consumers used cash in 26 percent of transactions, while cash was used heavily for small-value payments, representing 42 percent of payments less than \$25, and 49 percent of payments under \$10! These statistics show that cash will remain an important part of the retail experience for consumers, and retailers of all sizes must find ways to create value for their business by streamlining their cash processes.

Cash in the retail environment has three major pain points, for store level managers and headquarters – **the monitoring of cash, front of store cash handling and back office cash reconciliation.** Automation and specifically cash recycling can positively impact efficiency, accuracy and security in each of these areas.

# FRONT OF STORE

## – ISSUES

**Dealing with cash in any store can be a labor-intensive process. In the front of store, manual handling of cash can often be prone to errors and discrepancies as well as time consuming and unproductive activities such as skimming – to ensure there is not too much cash in the drawer, cashier shift changes and change provision.**

Providing accurate change and end-of-day reconciliation can be stressful for staff. The in-store cash exposure and cash transportation across the store are a security risk for both the business and the staff. Additionally, manual handling of cash is vulnerable to theft, shrinkage and the risk of counterfeit note acceptance. These issues cause real damage to the bottom line and profits of retailers. A [2012 report](#) by the Association of Certified Fraud Examiners (ACFE) found that “the typical organization loses 5% of its revenues to fraud each year.”

Slow transaction times can negatively affect the customer experience for customers. Waiting for change to be counted, incorrect change being given or long lines forming at tills as a result of lane closures due to the need to count the cash in the till drawer, are all potential issues when handling cash. A [Temkin Group report](#), “ROI of Customer Experience” from 2018 states that **41% of US consumer who had a very bad experience spent less with that business, with 19% stopping spending completely.**

# FRONT OF STORE

## – HOW RECYCLING CAN HELP

Retailers that implement cash automation through recycling devices at the POS can experience significant improvements, and in some cases, elimination of the challenges and risks associated with accepting cash.

Cash recycling at the POS can remove the need for front-line employees to ever touch cash. Reductions in preparing change funds and the time to handover when shifts are changing are also achieved through automation. **GLORY customers have reported saving 45 minutes per cashier, every day through the reliability and accuracy of the recycling solutions.**

All the cash transactions at the POS are recorded, with nobody having access to the cash throughout the course of the day which significantly improves the security of cash in the store. The reduction in exposure of cash being transferred across the store to the back office as frequently also enhances the security of cash and your employees as the recycling device, and the difficulty of accessing the cash act as a deterrent to criminals. Cash fraud at the point of sale is significantly reduced when recycling devices are deployed. Authentication of each bank note as it is presented eliminates counterfeit acceptance meaning the impact of counterfeit notes on the profitability of your business is no longer a concern. Furthermore, as staff no longer have reason to touch cash payments, the risk of cash shrinkage is also removed.

The front of the store is typically the critical part in any retailer's interaction with their customers. These interactions are often a defining factor in how the customer experience is perceived and is vulnerable to negative opinions when problems occur. Through deploying recycling technology, the customer experience can be improved with faster transaction times, elimination of errors when giving change and increased staff productivity for greater engagement with customers. A retailer in Spain credited the deployment of cash recycling solutions with more satisfied customers due to waiting times for assistance being considerably reduced.

REDUCE START AND  
END OF DAY CASH  
RECONCILIATION TIME



# BACK OFFICE

## – ISSUES

**The current situation for many retailers who have not deployed recycling technology in their back office can look just as daunting and filled with issues as the front of the store. Much like the front of the store, the handling of cash in the back office (e.g. the need to prepare change of funds and end of day counting and reconciliation) can be a time-consuming operation and yet these activities are essential for businesses to prevent fraud, discrepancies in their cash takings and erosion of profits.**

Cash can be miscounted by people. It is unfortunately one of the things that happens. Human Error. These errors can lead to more time spent counting cash and recounting. The worst-case scenario for a retailer is a mistake being repeated twice. This can lead to employees coming under suspicion or losing confidence when handling cash, even though it has been an error in the back office that has led to this suspicion.

The ability to track cash is one that cannot easily and efficiently be done through manual processes. By automating the cash at the POS, retailers can collect and understand data about the cash transactions that each cashier has been responsible for.

Time spent in the back office when dealing with cash sorting and preparing cash for deposits, either with a cash in transit (CIT) or taking the cash to the bank cause issues for retailers. Taking away managers or those in positions of trust and authority from customer focused tasks can be a problem. The managers may also feel that their time would be better spent in the front of the store, dealing with issues that impact the staff and customers. Staff retention can be negatively affected by low morale caused by carrying out repetitive and monotonous tasks, like counting cash and the pressures associated with suspicion when discrepancies occur.

# BACK OFFICE

## – HOW RECYCLING CAN HELP

**Automating back office processes with recycling technology dramatically accelerates all cash related tasks. Reconciliation is fundamentally changed, the eradication of discrepancies and reduced time spent on end of day reconciliation can have striking results for the productivity. Some retailers have reported saving up to 20 hours per store each week as a result of deploying cash recycling in their back office.**

Recycling technology combined with the right software solutions can deliver real-time cash status and cash inventory to head office or the store level manager. A GLORY customer who has deployed our solutions in their back office has reduced their time spent by staff in the back office by 2 hours per day.

The ability to track cash can give retailers complete traceability from the recycling devices, meaning they can move away from pen and paper or manual spreadsheets. Instead relying upon a device that is capable of immediately identifying counterfeit notes and counts accurately. Eliminating the potential for human error has saved up to 7-10 hours per day compared to manual cash processes.

**AUTOMATICALLY IDENTIFY  
COUNTERFEIT NOTES**











# HOW HAS RECYCLING BEEN USED SO FAR?

**For many years, the largest retailers across the globe have reaped the benefits of deploying the latest technology. Their ability to buy high end, sophisticated solutions and, because of their size, deploy with speed and scale has given them a competitive advantage over the smaller players in their industry. From creating new channels and delivery models, to completely transforming the in-store experience.**

The options available to traditional “larger” retailers are vast because:

- The scale and size of these businesses and their stores gives them flexibility to change the format without affecting the space dedicated to selling.
- These retailers have teams of people and labs dedicated to investigating new technologies that can drive cost savings for them and improve the consumer experience
- Such is their spending power that they have huge multinational vendors with dedicated account teams working on creating or customizing new solutions to enhance the shopper experience.

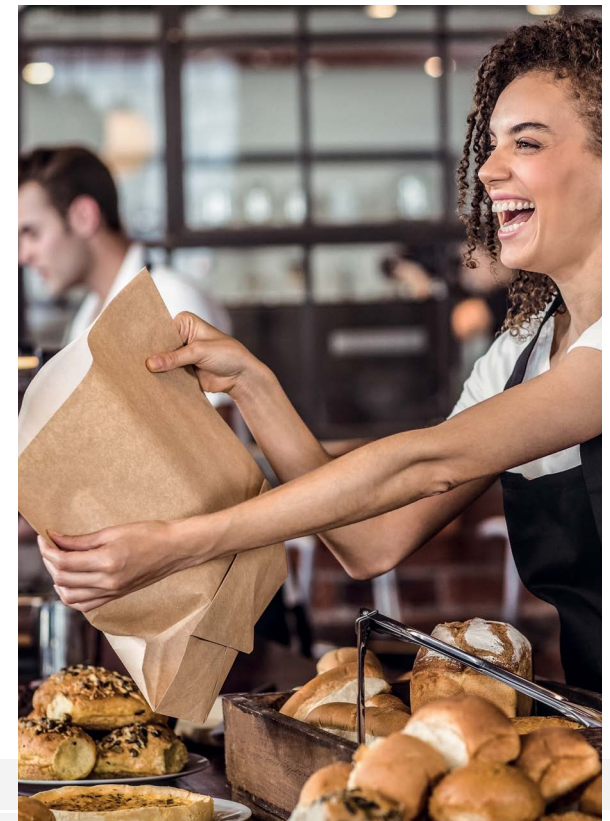


# HOW HAS RECYCLING BEEN USED SO FAR?

Many of the benefits from new technologies that retailers have achieved can and should be replicated throughout all of retail. Many retailers, whether it is local convenience stores, those that have 4 or 5 outlets in a city or nearby cities, or even those retailers with up to 50 locations or more can find efficiencies in their business. One argument for many of these retailers is that they are too busy, and unable to find the time to properly examine the material benefits that they may yield from investing in technologies that the large-scale retailers have been able to deploy.

For many, it is true that they cannot dedicate the time and effort to researching technology to improve their business operations, without those very operations being negatively impacted. Additionally, the cost of some of these solutions would mean the ROI for smaller retailers would take too long for the cost to be justified. These retailers likely do not have teams of people who can be dedicated to the buying of technology, and much of their IT teams (if there is one) time will be spent ensuring that the existing IT works to keep the business operational.

The owners of these small retailers still must take cash to the bank to deposit their takings. This involves risk to the person who is carrying the cash to the bank. There is time taken out of the business because of the need to go to the bank. By deploying recycling solutions these retailers can reduce the need to make these trips to the bank. For some smaller retailers that might mean not spending so much on staff in store, for others it could mean picking up their children from school or taking up that hobby that they have wanted to but never found the time.



# WHAT ABOUT SMALLER RETAILERS?

**Smaller retailers can see significant improvements in their business operations in the same way that the large and medium sized retailers can.**

Many of the large retailers who have large scale deployments of GLORY cash recycling have deployed them in the back office. We have helped many retailers of all sizes develop front and back office solutions depending on their needs. The businesses range from butchers, bakers, grocery and convenience stores, to pharmacies, entertainment venues and Quick Serve restaurants. Many consumers will have interacted with cash recyclers in a customer facing configuration. Cash recycling can be configured in several different ways that can enable retailers of all types to benefit.

Of course, smaller retailers can get benefits from customer facing cash automation at the checkout, removing the possibility of cashier error, meaning that the consumer has an interaction that they are familiar with. The recycler can also be configured at the check-out to be cashier facing. Both configurations remove the pressure on employees and gives them the chance to interact with customers while tendering their payment and change. There is a third way in which a retailer can deploy a cash recycling device; in a stand-alone or kiosk configuration giving retailers the flexibility to offer self-service solutions via kiosks, while still offering the option to use cash to pay.

The size of the recycling device can also match business needs. Depending on the number of notes that are needed to be recycled, cash recyclers can hold anywhere from 300 notes, to 3,200 notes. This means that retailers have a wide variety of cash handling devices that they can use to optimize their operations and refine their in-store experience.

In the back office, there is the flexibility for retail locations to select their recycling solutions depending on their cash volumes. Recyclers from GLORY can hold from 1,200 up to 6,000 notes, depending on the volumes of notes that the retailers expect to take. The best technology providers will work with retailers to ensure that they configure their cash recycling solutions appropriately and achieve an ROI that works for the retailer.




# THE CONCLUSION

The benefits of cash recycling have been proven. Those retailers who have deployed cash recycling, either in their front or back office have realized benefits that stretch across their entire organization. From loss prevention and staff productivity to the customer experience. Deployment of cash recycling is for retailers of all sizes to enhance their businesses or give owners more time to concentrate on other things.

Happier, more relaxed staff and increased profits coupled with the reduction in theft are all benefits that can be achieved by retailers of all sizes. The evidence is there for retailers to see. Many GLORY customers have realized these improvements across their stores. Consumers have better experiences, giving retailers, who have deployed recycling, a competitive advantage. The competitive advantage that these retailers have is not limited to them. Working with a cash recycling specialist like GLORY gives you the tools and expertise to optimize your cash processes.



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

 +1 (800) 527-2638  [info@us.glory-global.com](mailto:info@us.glory-global.com)  [glory-global.com](http://glory-global.com)

WP-CASHRECYCLING-0320/US\_1.0

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