

Retail Trends Update

Cash Room Automation: A “Revolution” Has Begun

Gain dramatic efficiencies and cost savings by fully automating the cash room cash handling process.

Cash handling, checking in and out sales clerk tills, and reconciliation of cash to the POS system remains a labor intensive, inefficient process for most retailers. In spite of a growing percentage of sales transactions conducted with credit or debit cards, the actual total value of cash handled continues to grow. Today’s challenge of cash handling is centered around both notes and coins.

Retailers utilize varying methods to handle their cash. Retailers with multiple sales clerks and registers have cash rooms with employees dedicated to counting outgoing and incoming tills and preparing bank deposits. These employees may also reconcile cash balances with the POS system, or additional employees may be required for that process. Some retailers employ more than 8 people on a shift dedicated to the cash handling process in a single store. Typically, multiple people will count opening and closing tills, including the sales clerk and the cash room employee.

To date, the best solutions in the market consist of only note acceptors and recyclers. Notes are deposited into an acceptor, verified and accounted, and are prepared for pickup by an armored car service. A note recycler also verifies and accounts for notes deposited into the recycler, but the notes are also available to be re-dispensed for use in the store. The strongest argument for these systems is that notes can be quickly deposited and accounted for while also being stored in a secure area waiting to be sent to the bank or reused.

In spite of the benefits, there remain a number of problems with these systems:

1. Coins are completely ignored by these solutions. The counting of coins usually takes longer than the counting of notes. Thus, **not much efficiency is gained** by using a note acceptor or recycler, as employees are required to manually count opening and closing coins.
2. Even if an acceptor or recycler can provide reports of deposited amounts, **reconciliation with the POS system is not possible**. While the notes are deposited into an acceptor, all the coins must be manually counted and manually reconciled.
3. Any solution that requires manual counting is **still subject to theft**.

The Revolution

The “holy grail” of cash handling is to fully automate the cash room, not only dispensing and checking in clerk tills, but tracking, reconciling, and performing cash reports and deposits. Through our new Revolution product, Tidel Engineering has developed such a system. The Revolution utilizes proprietary technology that fully integrates both note and coin recyclers with the POS system. At the start of a shift a clerk only needs to enter a personalized PIN, and both notes and coins are dispensed and completely accounted for through a POS system interface. The same is true for the end-of-shift. The clerk only needs to enter his PIN, and both notes and coins are accepted into the recycler and completely accounted for. The Revolution can complete the check in or check out process in less than 30 seconds with 100% accuracy.

The Revolution eliminates 100% of coin handling, as coins are dispensed directly into a sales clerk’s till drawer for an opening till, and when closing a till, coins are dumped into a recycler that counts, verifies and prepares the coins for reuse. No human touch is required for coin handling with the Revolution. Notes are dispensed simultaneously with the coins to fill the till drawers at the beginning of shifts, and then counted and verified, and staged in high capacity cassettes to be recycled for future use.

The profitability enhancements provided for by Tidel’s Revolution are significant and quantifiable. Cash handling in the retail environment is going through a true revolution. The paradigm of cash handling will change dramatically. Primary profitability enhancements include:

1. Significant reductions in cash room workforce since all manual labor has been eliminated.
 - a. Manual counting of notes and coins checking in and out till drawers
 - b. Manual reconciliation of cash with the POS system
 - c. Manual preparation of bank deposits
2. Cash shrinkage is greatly reduced since the system accounts for all monies dispensed and accepted. This accounting takes place on a clerk-by-clerk, transaction-by-transaction basis.
3. Complete accounting of all transactions and cash through the integration of the Revolution with the POS system.
4. Management reports are produced automatically and instantly.
5. Significant reduction of armored car related costs.
 - a. Cash and coin may be recycled, thus reducing the number of visits required
 - b. Recycling cash and coin reduces required float in every store
 - c. Bags of coins are used in the Revolution versus rolled coins
 - i. Bags of coins are much less expensive than rolls of coins
 - ii. Re-rolling of coins is eliminated

The Revolution of the cash room is underway. Response from some of the largest retailers has been overwhelming. The dramatic benefits of fully automating a cash room will prove to be impossible to ignore, especially as retailers continue to seek ways to

improve efficiency and profitability. Retailers who do not participate in the Revolution will find themselves left behind in an ever increasing competitive global economy. Today, Tidel's Revolution is available for Euro, UK Pound and US Dollars.

Visit www.tidel.com for additional information or contact Ed Grondahl, EVP Sales and Marketing at 469-521-2511. Tidel sells, services and supports cash management solutions in over 120 countries.