



Introducing the Smart Safe

Good day and thank you for reading. In previous articles, we have addressed several topics related to managing cash at the retail level. We started by providing a general overview of cash management. We then discussed challenges with managing cash, cash management using traditional methods, costs of managing cash across different retail departments, and different cash management concerns across various retail segments.

In today's article, we will discuss a fairly significant innovation that has been introduced to retailers to help address many of these cash management challenges. This innovation is called the Smart Safe, and has been proven to be an effective solution to help retailers secure and manage their cash environment while freeing up store personnel to focus on more productive tasks.

Let's begin by discussing what a Smart Safe is.

What is a Smart Safe?

Smart Safes are safes that automatically accept, validate, record, and store notes in a secure environment behind the safe vault door. Smart Safes are typically characterized by having these characteristics:

- **Note validation** – Smart Safes feature advanced note validators that enable a cashier to deposit notes into the safe, enabling the safe to record and track each deposit while automatically checking for counterfeit notes.
- **Cash Tracking and Accountability** – Smart Safes require a login via individual user ID before any transaction can take place. This ensures that all transactions are reconciled and auditable. This also helps stores accelerate the reconciliation of end of shift and end of day balances to the store's POS. Smart Safes also expedite the balancing of discrepancies, preparation of deposits, and also enable a store to gain a better understanding of their cash usage patterns.
- **Reporting capability** - Smart Safes have the ability to generate a multitude of reports, either locally (via an integrated printer) or remotely (via connectivity over a network or cellular communication), allowing store managers, loss prevention, treasury, and other departments to best utilize the safe to their specific business needs.
- **Connectivity** - Another key attribute of Smart Safes is their ability to connect online, either via Ethernet or cellular communications. Connectivity can be made to the store's network, or to a central console/dashboard at the store's headquarters, a store's bank, or a store's cash-in-transit provider, or all of the above. Connectivity, combined with the report generation capability, enables retailers to leverage a Smart Safe in such a way that they can effectively and efficiently close the cash management loop.

Benefits to a Retailer in implementing a Smart Safe

There are numerous benefits to the retailer who decides to implement a Smart Safe solution. Let's address these by functional group:

Operations

- Because the Smart Safe is now addressing many of the manual tasks previously appointed to the manager, the manager can now stay in the store and manage. Non-productive manager labor is reduced. The manager can focus on value added activities such as:
 - Supervising and training employees
 - Customer service
 - Inventory management
 - Vendor management
 - Merchandising
 - Merchandise shrink management
 - Executing corporate level programs
- Cashier labor for sweeps, or envelope preparation and end of shift balancing is reduced
- Internal cash losses are reduced – every cashier should be balanced every shift
- Merchandise losses are also reduced, as the manager has time to monitor activities inside the store
- Manager and cashier time required for investigations is reduced, as discrepancies should be reduced
- Costs to replace and train cashiers and/or managers terminated strictly due to cash discrepancies should be significantly reduced
- Compensation for managers to drive to the bank is eliminated
- The cost of business insurance required if the manager drives his car to the bank is eliminated
- A reduction in pickup frequencies may be possible, resulting in reduced CIT costs
- Supply costs may be reduced for tamper evident bags and envelopes
- Safety for store employees and customers is improved by reducing exposure to robbery
- Safety is also improved, since managers no longer drive to the bank with the inherent exposure to vehicular accidents and robbery
- Legal costs associated with robberies, prosecution of dishonest employees, manager accidents driving to the bank, etc., are reduced

Treasury

- Banking costs may be reduced due to less frequent deposits, reducing or eliminating sweep fees
- Store reconciliation costs should be significantly reduced. The reconciliation staff should see fewer discrepancies between the POS cash sales and the deposit amount, and they should also have fewer banks to reconcile to the concentration account
- Since the deposit amount is typically guaranteed by the CIT company, discrepancies are greatly reduced
- If the customer implements daily credit, cash flow is maintained. Their deposit is in the bank every day regardless of when the physical cash is picked up by the CIT company. Daily credit, also known as provisional credit, will be discussed in detail in a future article
- There should be no missed/late deposits, as the CIT now manages this process

Loss Prevention

- Cash exposed in tills should be reduced, thereby reducing robbery losses at the till
- Cash losses are reduced by improved accountability of every cashier on every shift. Internal and external theft are reduced
- The manager no longer has access to the deposit except in dual custody with the CIT company. Also, the manager no longer takes the cash to the bank. Thus, robbery and internal theft losses should be greatly reduced
- Loss Prevention travel expenses are reduced along with the reduction in incidents requiring investigation
- With the increased availability of the manager to manage vendors and inventory, non-cash losses can also be reduced
- Store personnel safety is improved as noted above

There are several benefits to a retailer who makes the decision to deploy a Smart Safe. Such benefits are both unique to, and to a degree, shared, across different departments.

Smart Safes are offered in various shapes and sizes and deliver a wide spectrum of features. We'll go through some of these in the next article. Thank you for reading.