

**CASH RECYCLERS TRANSFORM CUSTOMER
SERVICE AND HELP INCREASE PROFITS**

EXECUTIVE SUMMARY

Creating a great customer experiences require creativity and engagement from all bank employees -- from management to tellers. Since most banks offer the same basic products and services, many are looking for new ways to engage customers. Those who install cash recyclers are finding them to be another tool in providing better customer experience.

Cash recyclers offer many tangible benefits including increased branch staff productivity, another level of controls, reduced vault trips, and accurate and efficient drawer balancing. While these are easy to quantify and measure, cash recyclers also provide intangible perks for users.

During a standard retail cash transaction, tellers spend at least two minutes counting, sorting or handling bills. This is time spent looking down and focusing on something other than the customer. And that's time that could be better spent interacting with a client and listening for potential ways to cross-sell products.

This is especially important since customers have more banking options today than ever before. A KPMG report "Banking Outlook 2014: An Industry At A Pivot Point" describes some of the choices customers have and how important it is for banks to differentiate themselves based on service.

"Few mandates are more important to the banking industry right now than a relentless attention to connecting with customers as a means of building new revenue streams," wrote Brian Stephens, national leader of KPMG's Banking and Capital Markets practice.

Freeing time can allow banks to provide the services that customers are demanding. Cross-selling customers is increasingly important in a saturated market. According to Affinion, customers may have two products or accounts per institution, but have relationships with as many as six banks. Nearly 70 percent of banking clients use more than one institution for their financial needs.

Tellers are more likely to interact with customers on a daily basis, therefore creating a good customer experience at this interaction could prompt clients to move money or purchase more products from an institution. This type of cross-sell will be the key to increasing revenue in the years to come.

CASH RECYCLER FACTS

ARCA customers report saving as many as four hours per teller a day by using cash recyclers. Having two tellers use the system creates the potential for eight hours of time savings, or the equivalent of one full-time employee. Additionally other tellers can use the unit as a single control vault, which minimizes vault service, setup and balancing.

If during that time, a teller is able to cross-sell one customer per week, that's 52 new products and services sold per person a year. By making daily transactions more efficient for both employees and clients, banks can not only provide better service, but also shorten lines and use the time to offer its customers more products.

If the analysis only considers the quantifiable savings numbers, the average return on investment for a cash recycler is about 18 months. However, that time is diminished when taking into account the increased product sales and services to the mix. While it's nearly impossible to define, the new revenue also helps offset the cost.

EXAMPLES OF IMPROVING CUSTOMER EXPERIENCE

Mark Hettinger, chief operations officer for First Alliance Credit Union in Rochester, MN, uses ARCA cash recyclers in three of four branches. Cash recyclers became an integral part of security and time management after redesigning the branches to be an open concept with pods to serve members. With members able to walk behind a pod, the credit union needed to secure its cash, Hettinger said.

Besides being a deterrent for theft, the recyclers have made it easier for tellers and other branch employees to serve members. Employees don't have to focus as much on counting and sorting bills, allowing more time for interaction.

"They can spend more time taking care of the members, taking care of their needs and listening to them," Hettinger said. "We're always looking to build on our relationships with members and make the interactions consultative and educational."

Another important benefit for Hettinger and his branch staff is scheduling, especially during busy times. Employees can efficiently get a drawer and immediately start working with members, cutting down on trips to the vault and other cash handling transactions. For example, if the line is growing quickly, a branch manager can simply walk to an empty station, log onto the cash recycler and begin helping members. This not only cuts wait times, but also demonstrates to customers that everyone in the branch is available to help.

Employees also save time at the end of their days by quickly balancing their stations with the cash recyclers. The machines help reduce human error and allow staff to quickly close out at the end of the day.

Jacqueline Hill, a Project Analyst in Core Solutions for CertusBank, said the installation of 14 cash recyclers in 10 of their 30 locations has saved time, allowing for better service. For example, one of the branches receives multiple deposits from fast food restaurants during the day. Processing those large transactions with the machine is more accurate and it allows the tellers to interact with customers instead of counting bills.

Because tellers don't have to manually count everything, they're better able to cross sell and talk with customers in front of them. That extra level of attention goes a long way to create a good experience, Hill says.

Certus also has a cash recycler installed in its training facility, giving new employees the chance to work with one even if their branch doesn't use them yet. Hill says they're planning to continue putting cash recyclers in branches in order to increase efficiency and provide better service.

CONCLUSION

The changing nature of branch operations demands that banks implement new technology to meet changing customer demands. Not only are cash recyclers a good way to increase security and controls, they're also an excellent way to free up teller time.

By decreasing the time spent looking down, counting or doing other transactional chores, tellers can look customers in the eye and listen to their financial needs. This ability to cross-sell is what will drive branch profit.

Providing a better customer experience helps retain existing customers by giving them shorter wait times, more accurate service and a friendly smile in the transaction process. Automation allows tellers to listen for opportunities and problems, and banks are able to capitalize on a deeper customer relationship.

The payoffs from more industrialized internal processes “can be large and wide-ranging, including reduced costs, improved customer service, and faster transaction processing,” according to Stephens in the KPMG report. “And with less time required for transactional activities, bank personnel can spend more time on the high-value work that drives revenue growth.”

While it's easier to quantify the benefits of saving time, increasing security and controls, and reducing customer wait time, the intangible benefits of cash recyclers can help managers grow revenue through better customer service and cross-selling.



We provide technology and services to help people control cash in bank branches, retail stores and self-service kiosks. Since the company began in 1998, ARCA has experienced strong, consistent growth and now has operations in the United States, the United Kingdom, Russia, India and China.