Choosing the Right Dispenser
White Paper

ARCA
A **SESAMI** COMPANY

Executive Summary

Cash management is a complex and costly process that involves taking deposits, counting, verifying, authenticating, securing, dispensing and balancing cash. Every business that handles cash comes up with its own unique system and methodology. Any time a human being touches cash there is a built-in level of inefficiency along with the potential for loss.

Today's consumers are increasingly comfortable performing services for themselves that once were handled by a customer service representative — and for many of these savvy customers, a self-service option is now a prime differentiator.

Cash automation in the form of bill dispensers and cash recyclers are transforming the way banks and retailers manage cash. These tools also are helping businesses meet consumers' growing demand for self-service options.

Introduction

Choosing the right bill dispenser for your kiosk or self-service project depends upon a number of issues, from the number of transactions per day and total capacity, to the way notes are presented to the customer. Here are a few questions you will want to have answered before deciding to purchase a dispenser:

Front or Rear Access:
Will you be servicing the dispenser from the front or rear of the kiosk?

Capacity for Individual Denominations:
How many denominations do you want to include in the unit? How many transactions per day do you anticipate the unit will process? What will be the bill mix and what will be the average number of bills per transaction? How frequently do you want to load or touch the money inside the unit?

Note Presentation:
Should notes be dispensed to the customer one at a time into a tray (as with a spray presenter) or should the notes be pooled internally and then presented as a packet (as with a bunch presenter)?

Durability:
What are your targets regarding service? Ongoing service issues also must be considered, like the cost of consumables and the number of service calls required for maintenance or repair

Environment:
What are the physical constraints into which the unit needs to fit? How secure is the area where the unit will be deployed?

Front or Rear Access

Front or rear access refers to how the deployer intends to service the unit, including removing and replenishing cash and cash cassettes. Front access units typically are freestanding units that are deployed in lobbies or stores. Rear access units, such as through-the-wall ATMs, usually are integrated into a building during construction.

Front access is by far the more common of the two in the kiosk industry. Nine out of ten units are front access, largely because most devices are deployed in existing structures. But rear access offers greater security simply because all servicing takes place behind the scenes.

With a front access unit, cash can be exposed every time a tech or armored car service needs to replenish or remove the cash. Deployers need to keep this point in mind as they decide how frequently they want to schedule maintenance and what capacity is appropriate for their type of business. If the self- service device is equipped with a high-capacity dispenser but draws a low transaction volume, then service requirements need not be daily, but might instead be weekly or even monthly. (Of course, this strategy brings its own hazards and challenges, such as the risk and cost of stocking too much cash.)

Capacity for Individual Denominations

Although the unit's footprint is one of the over-riding concerns when it comes to which dispenser to purchase, the number of denominations per transaction and the number of transactions per day play an important role. If the device is a remote deployed, self-service device, then it would be wise to incorporate a bill dispenser with a large capacity. However, if the device doesn't generate a significant number of customer transactions, or if a large number of those transactions don't involve the movement of cash, a smaller capacity dispenser might be more appropriate.

Other devices used within the kiosk also play a part in the unit's footprint is one of the overriding determinants in which dispenser to purchase, but the number of denominations per transaction and the number of transactions per day play an important role.

One reason it's important to accurately estimate the number of daily transactions is to reduce the amount of cash you have tied up in the unit. Dispensers range in capacity from 300 to 3,000 notes per denomination, so there's no need to include a large capacity dispenser if a smaller one meets your needs.

Determining the mix of bills will depend upon the role the self-service device plays, that is, the dollar value of the products and the number of notes that will be required to make change. For example, a high-end vending machine that sells CDs and iPods in an airport may accept f ives, tens, twenties and fifties, but dispense only tens, fives and ones. In contrast, a snack vending machine that sells chips and candy may accept coins, ones, fives and tens, but dispense only ones and coins.

Cash Presentation Method

Where the unit is located will help determine whether the bills are presented in an external tray or as a bundle. A spray style of presentation delivers the bills one note at a time into the bill tray. And as its name implies, a bunch presentation dispenses the notes all at once in a bundle.

A spray style is less expensive in that it has fewer moving parts, but it also increases the amount of time the cash is exposed. The spray style is typical of ATMs located in c-stores.

Another consideration is what happens when a partial dispense occurs. Does the application have a way to deal with this eventuality?

The bunch style, as frequently seen in financial institution ATMs, offers greater security and increased control of the notes, especially if the unit is outdoors. There is less exposure time and the cash is never out of the control of the customer.   But if very large transaction sizes that would exceed the maximum bunch size are required, a spray dispenser may be more appropriate, even in high-end applications.

Durability

With any device handling cash, durability and reliability of your hardware is extremely important. In order to have a successful, highly used selfservice device, the customer is going to have to trust the machine.

So-called "smart devices" that use remote management software can decrease downtime and provide important maintenance information about individual devices. Aubrey Meador, ARCA's President, commented, "Smart units contain onboard diagnostic capabilities to report on the health of the device. This smart technology allows us to know when a component is starting to malfunction, monitor the level of cash in the device, know when the door is open, along with a myriad of other tasks."

Remote management software not only improves uptime but also has the potential to save a deployer a substantial sum in maintenance calls.

Environment

Where is the unit going to be placed? Is it remotely deployed and isolated or exposed in a high-traffic area with high visibility? Is it indoors or outdoors? Will money be kept in the safe overnight or removed daily? The answer to these questions will determine the safe rating that is acceptable for your project.

B-rated safes, which are commonly used in c-stores and fast food establishments, are designed to keep unauthorized users out, but will not withstand a serious attack.

ATMs are rated for security according to the specifications of UL 291, the Underwriters Laboratory Standard for Safety, Automated Teller Systems. UL 291 specifies two grades of ATM security: business hours (available only when the host facility is open), and 24 Hour Level-1 (unattended and open to consumers even when the facility is closed).

Conclusion

Bill dispensers were part of the original self-service device — the ATM — and while the operating principle behind them remains the same, dispensers are evolving to meet the needs of emerging self-service devices and other kiosks designed for financial transactions. From self-check- out and high-end vending, to financial transactional kiosks and teller vault cash management, the reliability of cash automation devices is more important than ever.

ARCA
A **SESAMI** COMPANY

Since 1998, Arca has been committed to helping people control and streamline cash operations in bank branches, retail stores and self-service kiosks. By focusing on technology and services, Arca delivers thoughtful solutions to make transactions simpler, more efficient and more secure.

We are reimagining everyday transactions, freeing people to focus on what matters most.

Connect with us

[f] ARCA.Cash
[t] @ARCAcash
[in] ARCA Worldwide
[o] arca.worldwide
[yt] ARCA Worldwide

United States, Global Headquarters
1400 Dogwood Drive
Mebane, NC 27302
United States

Italy
Corso Vercelli 332
10015 Ivrea (TO)
Italy

United Kingdom
The Capital Building
12/13 St Andrew Square
Edinburgh EH2 2AF
Scotland

France
1, avenue du president Pompidou
92508 Rueil-Malmaison CEDEX
France

ARCA

A **SESAMI** COMPANY