



# The Impact of Cash Recycling on Branch Operations

## White Paper





# Executive Summary

This report is based on the analysis of daily vault buy and vault sell data from 10 bank and credit union branches.

## OBSERVATIONS/FINDINGS

Banks and credit unions provide a high level of service to their members. Branches can be quite busy and a complex mix of transactions is usually present, both at teller windows and drive up windows. The challenge of efficiently controlling the significant cash inventories and transactional cash flow using existing staffing models is normally cited by branch staff as the primary opportunity for improvement.

Branches implemented a number of strategies for minimizing the number of dual-control processes in use, but analysis shows that the use of teller cash recyclers (TCRs) either as a vault, or on the teller line replacing cash drawers, will:

- dramatically improve the level of control and security of branch cash,
- lower the total cash inventories in branches,

- eliminate significant amounts of wasted non-value work by tellers,
- increase the transactional throughput of each teller position,
- and allow Branch Managers and Head Tellers to perform higher value work by eliminating many of the custodial dual control activities they perform every day

By automating the deposit, validation, denominational sorting, storage and dispensing of cash with a cash recycler, significant savings in both time and money can be realized. The table below shows a summary of the hard savings and is explained in detail throughout the full version of this report.

# Savings Matrix

CM18 Recycler Savings							
	Operation	Teller (per year)	Head Teller (per year)	Branch Mgr (per year)	Drawer Limit	Cash Reduction in Branch	
VAULT	Reduction Of Drawer Limits Possible				\$3,000.00		
	Teller Buys / Sells	300.3 hrs per teller	135 hrs				
	Teller Time Counting And Moving Cash Between Drawers	69 hrs per teller					
	End Of Day Balancing And Sell	45.9 hrs per teller	14 hrs				
	Reduction Of Closed Time For Each Teller Window	92.0 hrs per teller					
	Reduction Of Branch Cash Levels					30.00%	
	Atm Deposit Processing		55 hrs	55 hrs			
	Audit						

	Operation	Teller (per year)	Head Teller (per year)	Branch MGR (per year)	Drawer Limit	Cash Reduction in Branch
TELLER LINE	Reduction Of Excess Cash In Branch					\$5,000.00
	Teller Buys/ Sells	344.5 hrs per teller	135 hrs			
	End Of Day Balancing And Sell	114.8 hrs per teller	14 hrs			
	Out Of Balance End Of Day	19 hrs per branch	18 hrs per branch			
	Teller Station Changes	55.1 hrs per branch				
	Atm Deposit Processing		55 hrs	55 hrs		
	Elimination Of Tcd Loading Procedures		24 hrs per TCD	24 hrs per TCD		
	Tcd Audit Elimination		6 hrs per TCD	6 hrs per TCD		
	Reduction Of Main Vault Audit			6.5 hrs		
	Reduction Of 30% Auditing Main Vault		4.8 hrs	4.8 hrs		
	Cross Selling/ Referrals	55 referrals per year per teller				
	Elimination Of Cash Bags In Main Vault		23	23		



# Conclusions

## CURRENT STATE

Tellers at both the drive-up window and at the main teller counter provide an exceptionally high level of service to members. There are many opportunities for product and service referrals, but the current staffing model and cash-control processes often requires members to wait in lines and tellers to spend a large portion of their time counting cash in front of members. Many of the transactions conducted at the teller window could be completed online if tellers had time to train members (i.e. balance inquiries, check reconciliation, simple account transfers).

## AREAS OF IMPROVEMENT

The branches we visited were extremely busy and had a constant line of members waiting to be served. Transactional velocity is an issue when members are waiting. Many of the transactions that take the longest have little value for the bank. Cross-selling is difficult due to the need to make transactions more efficient.

## OPPORTUNITIES — VAULT

Tellers would spend less time counting, verifying, buying and selling cash. They would not be strapping, sorting and verifying cash. Instead, that time could be spent with an open teller window serving members. Tellers would be able to increase the accuracy and efficiency of all large cash transactions by having access to the recycler for immediate automated verification.

## OPPORTUNITIES — TELLER LINE

The use of teller cash recyclers on the teller line would give tellers significantly more time to engage members (during the time a teller would normally be counting cash). Cross-selling, referral and member-education by tellers could significantly increase revenue and lower branch traffic for low-value transactions.



# Conclusions Continued

## ROI CALCULATION — VAULT

Reduction of closed time for each teller window. Estimated improvement: (20 mins. per day) x (# of tellers) which will increase customer throughput and lower the cost of each transaction.

20 mins / teller / day  
86.7 hrs / teller / year

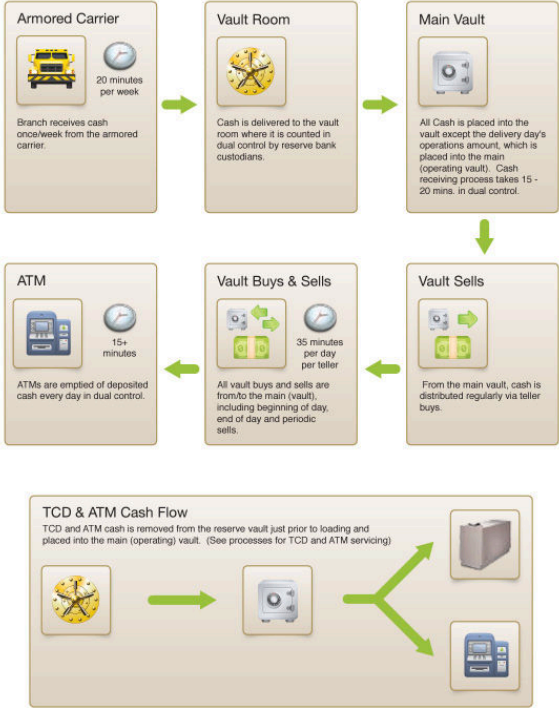
Reduction of counting and sorting for large transactions would further reduce the closed time for each window.

## ROI CALCULATION — TELLER LINE

Soft benefit: Cross-selling/Referrals – It is conservative to assume that the use of the CM18 recycler, either as a vault or on the teller line, will free the teller to refer at least one additional member each day: (# of tellers) x (1 additional referral per week) x (value of 1 referral)

1 referral / teller / week  
52 referrals / teller / year

# Process Flow - General Cash Flow in Branch





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**

 ARCA.Cash

 @ARCAcash

 ARCA Worldwide

 arca.worldwide

 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





