

# RECYCLING CASH AT THE ATM

Achieve cost optimization,  
revenue growth and improved  
consumer experience



NCR NCR 19378 NCR NCR 019378 NCR 19378 NCR NCR 00193 NCR NCR NCR 0193



We all understand the pressures of today's financial environment:  
Shareholders demand profit while consumers demand better service.

In certain markets there are high cash replenishment costs or high deposit activity and high deposit volumes which can be costly to process. Cash recycling at an ATM can deliver Financial Institutions cost optimisation while at the same time enabling revenue growth and delivering ever improving consumer service.

This whitepaper will introduce recycling and explain why recycling is a profitable and business changing solution in the right environment. It will explore the positive impact on revenue generation, the consumer experience and cost optimisation in the context of your branch, your staff and your customers.

Click below links to learn more:

- |   |                                       |  |
|---|---------------------------------------|--|
| <a href="#">1</a> What is recycling                 | <a href="#">4</a> Consumer experience | <a href="#">7</a> Recycling-achieve the potential (Branch staff) |
| <a href="#">2</a> Why do banks want to recycle cash | <a href="#">5</a> Cost optimization   | <a href="#">8</a> Recycling-achieve the potential (Consumers)    |
| <a href="#">3</a> Revenue generation                | <a href="#">6</a> Branch              | <a href="#">9</a> Recycling-achieve the potential (Transaction)  |



# What is recycling?

Cash recycling enables an ATM to accept, validate, sort and store banknotes quickly and reliably.

These banknotes can then be made available to customers who wish to take out cash, reducing cash replenishment costs for the bank and improving service availability for its customers.

Recycling has to comply with legislation around the globe in order to protect the bank and the consumer while complying with banking regulations. For example NCR's intelligent deposit function intercepts counterfeit or suspect notes, taking them out of circulation immediately and complying with European Central Banking regulations.



For ING, the branch network remains essential to the creation of relationship with customers.

NCR SelfServ 34 recycling technology enabled ING to build 550 "Proxi" branches freeing staff to focus on advice and sales. Today there are over 1200 recycling ATMs in the ING network with plans for continued expansion.



# Why do banks want to recycle cash?

Cash in circulation continues to increase and the ATM is the main channel for cash to be delivered. Globally ATMs distribute 50% of the cash that consumers carry. In certain markets there is high deposit activity and high deposit volumes which can be costly to process and lead to delays in the branch that inconvenience the businesses depositing plus the other customers.

Cash recycling at an ATM can deliver Financial Institutions cost optimisation while at the same time enabling revenue growth and delivering ever improving consumer service.

Business models vary around the globe and thus the reasons to recycle will vary. Where cash replenishment and cash in transit costs are a significant contributor to day to day opex then a reduction in visits can make a difference. Decreasing the cash held in a deposit ATM or eliminating the need for night safes can also deliver process savings.





# Revenue generation

There are significant advantages for a branch if all cash transactions can be handled by the ATM. The teller staff are neither burdened by a cash task, nor tied to a location. This allows branch staff to be focused on high value selling activities as opposed to routine high volume but low value transactions.

Small business or enterprises can be the key to revenue generation and a successful recycling deployment:

- The business can transact with you 24x7 which is exactly the service they demand and the service level which will differentiate you from your competition.
- Critical volumes of cash will also be deposited to allow the bank to maximise their availability and minimise replenishment costs

“Have lowered overall operating expenditure by 30% while increasing products sold per employee by x 2 in the branches.” — *ING*

“Have deployed at least one recycling ATM in every branch. They are now in a good position to review their branch concept, and will be more customer focussed on high selling activities.” — *KBC*



# Consumer experience

With recycling at the ATM comes the opportunity to take consumer experience to a new level

- Tellers are free to roam and focus on customer service, while open branch designs offer a friendly atmosphere.
- Vestibule and Lobby deployments offer service 24 hours a day, with immediate credit of deposit cash to customer accounts.
- Automated cash handling reduces errors throughout the entire process and thus conflict resolution is rarely an issue.

Best in practice deployment is critical for availability of transactions with minimal reject rates and thus consumer delight.

“Consumers are benefitting from less queues, greater convenience and time saving.

Cash is accepted at the ATM 24x7— the transaction is available when the consumer demands it and is not limited by branch hours.” — *ING*

“Recycling ATMs now comprise 80% of the ATM network and deliver instant credit to customers for cash deposits.” — *KBC*



# Cost optimization

## Cash recycling offers many opportunities to optimize costs

- Fewer branch staff are potentially needed, or staff can be redeployed to focus on customer service and revenue generating activities.
  - Improved fraud management with the risk of counterfeit acceptance reduced as human error is eliminated and ECB plus other central bank certified bill validators are available around the globe.
  - Having cash deposit availability 24x7 will maximise use of your assets and investment, eliminating the dependency on branch opening hours dependency and teller availability.
  - Reduced cash management and cash holding costs as cash replenishment and cash in transit costs are significantly reduced and cash deposits are used to satisfy cash dispense volumes.
- Errors and the cost to resolve errors are reduced through the entire cash recycling process.
  - This of course results in fewer resources being required to deal with customer discussions and conflicts.





ING: Staff in Proxi branch were reduced from 4 to 3, in other branches from 3 to 2. Captured staff cost reduction of between 20% and 33%.

KBC: 30% of transactions deposit the cash that serves 60% of withdrawals. This combined with the elimination of night drop costs contributed to greatly reduced ATM cash replenishment costs.

In pilot phase alone Banks can experience a note recycling rate of 40-83%

ING: Up to 50% CIT cost savings attributable to cash recycling at the ATM.





# Branch

## Consumer experience

Deploying ATM cash recycling does not demand additional footprint. The full functionality of recycling fits in the existing footprint of an NCR ATM so you can allow branch design to flourish:

- Open branches with flexible designs and no glass walls.
- Greater space and a welcoming, friendly atmosphere for customers as well as branch staff.

## Security

Global solution providers have to be able to deal with the complexities of security challenges around the globe.

Increasing counterfeit activity drives developments in note security, the recycling solution you implement today has to be scalable and upgradeable to enable you to stay ahead of the counterfeiters and to meet central bank certifications today and in the future.

Deployment of recycling allows staff to have no contact with cash which can remain in a protected area.

“Cash can only be handled by the ING Security team or cash in transit (CIT) provider. Attacks on branches have reduced as there is no reason or temptation for attack given there is no access to cash in the branch.” — *ING*

Since the implementation of Recycling at the ATM there have been zero attacks at ING Belgium.



# Recycling – achieve the potential

## The checklist for branch staff

If staff understand the advantages of the solution they will be motivated to help customers make a successful transition to deposit cash at the ATM

- Increased safety for themselves and customer
- Improved consumer service with smaller queues and reduced errors and conflict
- Opportunity for a more interactive and customer focused role
- Reduced counterfeit handling



“Customers now perform 95% of their transactions at the ATM. Our staff continue to build relationships with those customers and with a renewed focus they have doubled the products they sell.” — ING



# Recycling – achieve the potential

## The checklist for consumers

The customers will embrace cash deposit if they understand how it can directly benefit them

- Excellent customer service and convenience is key
- Redeploy tellers initially to help customers through their transaction, supervise them and make sure availability of cash deposit is excellent
- Let the consumer know the experience will be different, help them accept change with crisp and clear messaging
- Create consumer awareness with marketing materials, signage, lead through screens and tellers to concierge at the ATM throughout the introduction of cash deposit to help customers understand “how to” best make the cash deposit eg insert notes in the best way



Create well designed customer information

Create desire for the transaction e.g., incentives, prizes

Announce new technology benefits e.g., access 24x7



# Recycling – achieve the potential

## The checklist for the transaction

Being able to successfully deposit cash every time a customer wishes to, is key to the acceptance and widespread adoption of this transaction. Deployment with strong project manager support will maximise performance and availability for the customer and the bank.

- Understand what to take in to consideration ahead of deployment
  1. Which denominations to recycle
  2. Expectations of the volume of unfit or damaged notes
  3. Peak volume and queuing patterns
- Work with your ATM provider to understand how best to make data available from the ATM for example log, files and status information. In this way performance, availability and cost can be optimised for each bank
- Understand the performance indicators that guide the business decisions that will reduce operating cost and increase customer satisfaction
- Optimise the recycling rate not only for one ATM but across your branch
- Increase the volume of notes you recycle as well as optimising the percentage of notes you recycle
- Establish a performance and cost base line before implementation so you can accurately measure the benefits of recycling



# Conclusion

Today there are over 500,000 recycling capable ATMs deployed across the globe (RBR 2014 Deposit Automation and Recycling Report)

Recycling could offer you the opportunity to reduce staffing and operating costs while increasing product sales. It improves the service to business and retail consumer on a daily basis and allows you to build relationships with your customers 24x7. Combine this with a reliable and secure technology which has the flexibility and scalability to stay abreast of on-going technology demands and you have a solution with the potential to change your business performance.



“We have seen on going advances in both recycling technology and operating expense reduction since the first recycling implementations. Customer uptake has grown and they now perform 95% of their transactions at the ATM. Our staff continue to build relationships with those customers and with a renewed focus they have doubled the products they sell.” — ING

Everyday made easier™ with NCR cash recycling at the ATM

# WHY NCR?

NCR Corporation (NYSE: NCR) is the global leader in consumer transaction technologies, turning everyday interactions with businesses into exceptional experiences. With its software, hardware, and portfolio of services, NCR enables more than 550 million transactions daily across retail, financial, travel, hospitality, telecom and technology, and small business. NCR solutions run the everyday transactions that make your life easier.

NCR is headquartered in Duluth, Georgia with over 30,000 employees and does business in 180 countries. NCR is a trademark of NCR Corporation in the United States and other countries. The company encourages investors to visit its web site which is updated regularly with financial and other important information about NCR.

NCR Corporation | 3097 Satellite Boulevard . Duluth, Georgia 30096 . USA

NCR continually improves products as new technologies and components become available. NCR, therefore, reserves the right to change specifications without prior notice. All features, functions and operations described herein may not be marketed by NCR in all parts of the world. Consult your NCR representative or NCR office for the latest information. NCR APTRA is a registered trademark of NCR Corporation in the United States and/or other countries. All brand and product names appearing in this document are trademarks, registered trademarks or service marks of their respective holders.

©2015 NCR Corporation 15FIN3458-0715 www.ncr.com

