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4 Points Of Cash Control

How technology minimizes cash handling, helping retailers gain tighter control of an at-risk asset.

by Matt Pillar

A host of new devices and reporting technologies are giving retailers greater control of the risky cash-handling proposition. We asked John Rhoads, VP of product and channel development at Corporate Safe Specialists-FireKing Security Group, to share some of the latest advances with us.

A recent report from the Centre For Retail Research claimed that U.S. retailers lost more than \$4 billion to employee theft during the 2012 holiday shopping season alone. What lack of cash controls are contributing to this loss?

Rhoads: Employee theft continues to be a systemic problem for retailers across the U.S. Controlling the flow of cash through a retail establishment is basic in nature. From the time a customer hands over cash to pay for a purchase until it is deposited in the bank, it is at risk. When the money is in a closed POS drawer, it is protected. When it is deposited in a closed safe, it is protected. When it is finally deposited in a bank, it is protected. Unfortunately, when it is in transition between any one of those safe havens, it is at risk.

When a POS cash drawer or safe door is open, for any reason, the contents are at risk. Yet both of these activities occur frequently to run a retail operation. Effective cash control, in the form of business rules and procedures, is put in place by retailers to provide accountability and visibility to cash as it makes its journey through operations. The lack of visibility of money flowing through retail is the greatest contributing factor limiting the effectiveness of cash control measures. This is a good place for retailers to focus their attention to reduce employee theft.

Four points of focus can increase cash flow accountability and visibility, improving cash controls and reducing cash shrinkage:

1. Immediate visibility of safe transactions, along with timely alerts for noncompliance with cash handling procedures
2. Limiting access to the main bank of funds in a safe
3. Tighter integration and synchronization between retail store systems providing detailed information on the disposition and transition of assets during retail operations (e.g.

4. POS, back office, and cash management systems)
4. Consolidating business intelligence from across the organization to enable proactive measures

What new cash control processes and technologies are available to retailers to curb employee-related cash losses?

Rhoads: To increase visibility, “smart” safes with bill acceptors are a good place to start. While they alone cannot completely close the loop on cash control or losses, smart safes represent an important step in greater accountability and cash control. They provide accurate, automatic counts of money received without having to open the safe door. Smart safes are designed to limit direct access to the main bank of funds in the bill acceptor cassettes. Reduced access means reduced risk of loss. Cash received into the safe is immediately visible and secure until removed to make a bank deposit by either an armored-car service provider or an authorized staff member.

For greater control, smart safes can also be integrated with POS and back office systems. Retailers have detailed transaction data of when money is removed from the POS and corresponding detail for the safe deposit, or when cash is removed for a bank deposit. Lastly, the latest generation of smart safes can be networked utilizing existing communications infrastructure and business systems to provide remote cash monitoring, access management, and broadcast alerts.

With individual locations able to exchange POS, back office, and safe information with central offices, organizations now have the business intelligence (BI) to take their cash management and control to a whole new level. Taken a step further, when the organizational data resides in a cloud infrastructure, it is immediately available for easy access by the entire organization. Information can now easily flow from many storefronts to a central repository and back out again. The expanded visibility that this information provides retailers enables them to not only identify individual problems, but identify trends and move from a reactive to proactive posture. ■