

Retailers' Top Cash Management Priorities

To improve their remote cash capture activities, retailers are focusing their efforts on a few key areas.

By Ed McGunn

As part of our continuous effort to keep abreast of retailers' remote cash capture improvement priorities, we conduct multiple surveys during the year. They go out to a number of industry segments including specialty retail, fast casual restaurants, quick serve restaurants, and c-stores.

In 2011, after compiling the results of nine surveys, we saw a slight shift in the top cash handling priorities. Deterring Robberies and Burglaries went from third place in 2010 to first place in 2011 (44% of the respondents had this as their first or second priority in 2011); Reduce Cash Shrinkage moved from first place in 2010 to second place in 2011 (first or second priority to 43% of respondents in 2011); and Increase Staff Productivity went from second to third place in 2011 (first or second to 41% of respondents in 2011). These findings were reinforced by another survey we conducted in 2012, focused on c-stores. The two most serious cash handling issues to c-stores were cash shrinkage from internal theft and inefficient cash handling (64% and 63% respectively). Importantly, it does not look like either of these two issues is going away; over 80% of the c-store respondents thought the seriousness of each issue has remained the same or increased since last year.

Smart Safes Tackle Cash Handling Issues

Staff productivity, or inefficient cash handling, focuses on remote cash capture activities performed by retail staff during normal daily operations. Specifically, this includes the time employees spend accepting cash, counting cash, depositing cash, recounting cash, reconciling discrepancies, making bank deposits, and trying to determine accurate cash positions. Unfortunately, we all understand cash shrinkage from internal theft. Retailers know that addressing these issues can have a direct impact on profitability.

To address these issues retailers can employ a number of process improvements, enabled by either a business-rated traditional drop safe or a smart safe with an integrated bill acceptor. While the former provides a secure enclosure for cash and can help with these issues, the latter provides a number of distinct advantages when it comes to remote cash capture.

A smart safe with bill acceptors can consistently and accurately read all denominations and provide automatic counts of money received, while

protecting against counterfeit currency. Not only is less time spent counting cash, but the opportunities to create cash discrepancies are nearly eliminated. In addition, with a bill acceptor, a safe's door is opened less often, thereby reducing direct access to the main bank of funds. The less a safe door is opened for any reason, the safer the assets inside. These features not only reduce the threat of theft, shrinkage, and counterfeit currency, but also provide businesses the ability to securely execute cash transactions in a closed-safe environment across the enterprise.

Most smart safes available on the market today can be connected to a communications network via an Ethernet or wireless connection, taking retailers' cash management capabilities to an even higher level. Managers can understand their cash positions quickly, and do so either on-site or remotely. They can also set up email alerts so they are notified when specific transactions or events occur, view or download deposit details and employee usage logs, and run a wide range of financial analysis reports. This connectivity includes visibility of safe activity and cash positions across all of a retailer's locations. In addition, access to any safe can be granted and monitored remotely to aid in enforcing business rules and identifying procedure violations. Retailers have never had such visibility and control in managing their cash flow across operations, down to the transaction level.

Installing a smart safe will not only reduce the cash shrinkage but also increase staff productivity. By having a defined set of remote cash capture procedures in place, enabled by an intuitive, easy-to-use, and easy-to-learn smart safe, retailers can realize a positive impact to their bottom line. Perhaps most importantly, they will have happier customers as staff can spend more time with them, rather than handling cash. ■



Ed McGunn is president of Fire King Security Group and Corporate Safe Specialists. He can be reached via email at mcgunne@corporatesafe.com.