

## ARCATECH SYSTEMS PERSPECTIVE

# Connecting to customers with cash automation

**Counting cash is the most tedious, manual transaction in a bank branch and is the source of the most common disconnect between teller and customer**

**The face-to-face experience the customer has in the branch will determine how loyal the customer will remain to the financial institution**

*By Aubrey Meador, Vice President ArcaTech Systems*

Counting cash is the most tedious, manual transaction in a bank branch and is the source of the most common disconnect between teller and customer. Tellers turn their heads down and focus their concentration on counting cash correctly over and over. The teller is expected to be perfect while the customer stands watch over this age-old tedium. There must be a better way.

## The proliferation of automation

Over the past 20 years, the banking industry has placed a great deal of emphasis on automating customer transactions. This can be witnessed in technologies such as online banking and telephone banking, but most dramatically in the success of the ATM. In the United States, the installed base of ATMs has grown by over 500% since 1985, while the number of bank tellers has grown by less than 10% over the same period.

The motivation for automating customer transactions is straightforward – to reduce operating costs while increasing customer service. Today we are seeing an even greater push toward automating customer transactions. In general, customers are more receptive to self-service technologies, and many banks and technology companies are offering increased functionality at ATMs, such as the ability to scan cheques and cash for immediate deposit credit.

Inside the branch, there is increased use of self-service kiosks for delivering information to customers and allowing customers to perform more complex transactions without the help of a teller. Some of the more future-looking financial institutions have done away with the traditional teller completely, using streaming video technology along with cash automation devices to connect live tellers at an off-site location with customers in the branch to perform transactions.

One could say that there is something of an 'automation race' going on today between financial

institutions, to see who can employ technology to serve their customers better, faster, more efficiently, and at lower cost.

## The face-to-face encounter

Despite the great strides made in automating financial transactions over the past two decades, it is a fact that most customers still visit their local branch to perform transactions with a live person on a regular basis. They often choose to bypass alternative delivery channels to work directly with a real person. For whatever reason, they choose not to use online or telephone service options, not to use ATMs, not to use drive-up windows or speciality kiosks.

This face-to-face encounter with the customer should not be taken lightly by financial institutions, for it is the experience the customer has in the branch, with the financial institution's employees, that will determine how loyal the customer will remain to the financial institution. This face-to-face encounter has an enormous influence on an institution's ability to retain customers and grow its revenue base.

Throughout the 1990s, teller transactions were viewed primarily as an expense, or as an 'operational challenge', and efforts were made to discourage customers from visiting the branch. But, today, the branch visit is more clearly seen for what it is: the single best opportunity that a financial institution has to deliver exceptional service and deepen its relationship with its customer. If the customer leaves with less than a sense of delight, the bank has missed the opportunity and is in danger of losing its customer.

Interactions with customers in the branch have also been shown to be a key source of cross-selling additional services to existing customers. A financial institution's ability to leverage existing relationships to grow both revenue and profit is increasingly important in determining whether an institution will be able to compete in today's marketplace.

Given the importance of this personal encounter, financial institutions should concentrate their efforts to ensure excellent customer service and enable their employees to focus on the customer.

### Teller automation

Of all a teller's traditional duties, none is as important as the careful handling of cash. The accuracy of the cash transaction is so critical to both the customer and the financial institution that a teller is likely to be out of a job if he/she is found to be out of balance more than a few times. This type of pressure inevitably leads to an 'eyes-down' focus on counting cash, taking the teller's attention away from the customer and reducing the financial institution's ability to cross-sell additional services to the customer.

Teller cash recycling technology can alleviate this pressure and allow tellers to focus on the customer's needs. When installed in a traditional branch, a teller cash recycler automatically accepts cash coming in to the teller, identifying it and storing it in a secure safe. The same cash can be dispensed by the teller to give to customers requiring cash.

When implemented properly, this technology increases transaction speed and security in the branch. Employees perform better because they don't have to focus on counting cash and are able to balance automatically at the end of the day. Customers benefit from shorter lines and more attentive branch staff. This technology has knock-on benefits as well, such as the ability to sort notes by fitness quality, and improve cash management within the organisation.

These benefits are compounded by the paradigm shift that can take place in the way tellers are able to communicate with customers. Without the constant focus on counting cash, tellers become customer service representatives with their attention focused squarely on the customer during each transaction. Tellers can maximise this moment of personal interaction with their customers. The benefits that ensue can be measured through greater cross-selling success, improved customer satisfaction levels and improved teller job performance.

From the customer's perspective, they may not even notice that all or part of their transaction has been automated. They will just notice that the

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## Connecting to Customers with Teller Cash Automation

**Are you giving your tellers the tools they need to take care of your customers?**

Download a free whitepaper at:  
[www.arcatechsystems.com/TellerAutomation](http://www.arcatechsystems.com/TellerAutomation)

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- ▶ transaction is faster, that the lines in the branch are shorter, that the branch staff are more attentive to their needs – ultimately, that they are able to get what they need with a minimum of fuss.

Teller cash recycling technology truly has the ability to bridge the gap between customer and teller within the branch environment. By automating the process of handling cash, it enables banks to hire a different kind of teller: one whose skills are better suited to customer service and cross-selling rather than to accuracy in counting cash.

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#### **Choosing the right strategy**

Automation strategies will be different for each country or financial institution and will change even at the branch level as local requirements are taken into consideration. An appropriate mix of automation should be pursued (ATMs, Teller Assist Units, Payment Kiosks, etc.). As well as supporting the growing demand for self-service transactions, the chosen technology should also enhance the customer-employee interaction in the branch.

The chosen strategy should not be too narrow, and must focus on building value for the financial

institution, as well as connecting with customers. Technology must be incorporated in new and interesting ways to accommodate all customer types, and in this way the new technology can also be used to enhance the brand image of the bank.

The introduction of more and more advances continues to put pressure on financial institutions to adopt the latest technology. However, it is the customer-centric solutions that deliver enhanced satisfaction, better personal interaction and improvements in efficiency that will succeed in producing the long-term differences financial institutions crave.

Most forms of automation demand that your employees and customers change their behaviour, and while it is fairly easy to train employees in new methods, some customers may be more reluctant. Implementing technology that increases the efficiency and accuracy of the employees, while simultaneously enhancing the customer interaction process, will smooth the transition and maximise its benefits. ■

Download a free white paper at:  
[www.arcatechsystems.com/TellerAutomation](http://www.arcatechsystems.com/TellerAutomation)

## **UK PAYMENTS**

# Overhaul of UK payments environment continues

The considerable progress made to date in overhauling and reforming the UK's retail payments environment, and especially its clearing and settlement systems, was described in the document *'Final report of the Payment Systems Task Force'* published in February. The Task Force was set up in 2004 with the aim of identifying, considering and seeking to resolve any competition, efficiency and incentive issues relating to the country's payment systems, including those concerned with system/network access, cooperation, innovation, governance, wholesale pricing and price transparency.

The Task Force, which was chaired by the Office of Fair Trading, uniquely contained representatives

of businesses, retailers and consumers alongside those from the payments and banking industries. Another unique feature is that it completed its work two years earlier than originally planned, as many of its ongoing activities will be transferred to the Payments Industry Association (PIA), a new governing body for UK payments.

#### **Several significant achievements**

During its relatively short existence, the activities of the Payment Systems Task Force and its Working Groups, operating by consensus rather than majority voting, has resulted directly or indirectly in several notable changes to the country's payment systems, including: