

NCR PERSPECTIVE

Taking Teller Cash Recycling to the next level

The challenge to banks is to provide branch services in a cost-effective manner, achieve the maximum benefits from them and enhance their customers' experience

By Paul Race, Director of Financial Industry Communications, NCR

When Teller Cash Dispensers (TCDs) reach the end of their lifecycle they are increasingly being replaced by teller cash recycling units. Whereas TCDs have certainly eased the teller's cash dispensing tasks, the introduction of Teller Cash Recyclers (TCRs) provides a more efficient solution, not only improving transaction processes, but turning the branch into a more productive, secure environment and redefining the branch business model. According to RBR, the number of recyclers as a proportion of all teller automation units is scheduled to increase from 10% in 2001 to around 66% of the forecast 240,000 plus total by 2013.

The benefits of adopting TCRs have been well documented, in particular the increased efficiencies and cost reductions that can be achieved in the branch by freeing up teller time, the enhanced security enabling open plan layouts, increased job satisfaction for tellers and a lessened risk of shrinkage and fraud.

Though banks have successfully migrated significant volumes of low-value high-cost transactions to lower-cost channels, the branch remains important. Many individuals continue to use the teller for cash services, and as multi-channel service providers, banks continue to provide customers with choice over how they carry out transactions. The challenge to banks is to provide branch services in a cost-effective manner, achieve the maximum benefits from them and enhance their customers' experience. This involves two decisions: the first is the choice of technology, and the second is the choice of vendor, one that has the financial stability and depth of experience required in manufacturing, software development and service provision.

As the evolution of the TCR market goes beyond pilot projects and small-scale deployments towards volume rollouts across banks' networks, bank's choice of solution will become increasingly important.

Key criteria

Independent research from RBR has highlighted the key criteria considered by banks in selecting a TCR vendor. The main selection criterion was service and maintenance, closely followed by reliability, counterfeit detection and ability to cope with poor quality notes, speed and the cost of integrating units into branches.

These can be grouped into four main categories: *Speed* – Transaction speed and follow-up availability is especially important in the search for improved productivity.

Enhanced security – For any TCR, a key feature will always be counterfeit recognition, ensuring that only genuine notes are accepted and dispensed.

Flexibility – A crucial factor in the business case for TCRs is flexibility, both in terms of design and functionality, as they influence cost of integration as well as the transaction process. In space sensitive branches, small footprints offer more flexibility



in design, especially for open-plan layouts that help transform the customer experience. And in today's more mobile society, functional flexibility such as the ability to handle multiple currencies is becoming increasingly important.

Robustness and availability – To achieve maximum benefits, high levels of reliability and availability are crucial. With TCRs being used for both deposit and cash withdrawal transactions, it is essential that jams and call-outs be kept to a minimum. Reliability, enabled through solution design and industry-leading levels of service and maintenance, will need to be at the core of any solution.

Designed for success

NCR's Cash Recycler solutions are designed for success across all these capabilities. The need for speed is addressed through a unique continuous feed capability. For customers this equates to less time queuing and higher levels of satisfaction. In terms of security, Giesecke & Devrient's world-renowned note validation technology provides enhanced security measures. Design flexibility is ensured through a small footprint and even more importantly a small service footprint, which means NCR's TCRs can be located under the teller counter without rework. In terms of functionality, whereas the majority of recyclers on the market today have 8 Rolled Storage Modules (RSMs), NCR's Cash Recycler Pro is unique in providing 12 RSMs. This makes it more flexible and better able to accept and recycle multiple currencies.

When it comes to the critical issue of robustness and availability, NCR's solution is designed to avoid downtime. The unique Uni-Directional Note Movement means that whether a note is received or dispensed, there is no change of note direction within the TCR, which results in fewer jams. Tellers are less likely to be out of action and in the rare event of a jam the unit is able to operate in partial mode due to independent note paths until a service technician arrives on site.

New levels of expertise

We have seen that the number one criterion for TCR vendor selection is service and maintenance – a core competence of NCR. The company provides services for complex cash handling devices including dispensing, deposit and recycling devices and is the highest ranked self-service

solutions provider in the Global Outsourcing 100, as awarded by the International Association of Outsourcing Professionals (IAOP). NCR now provides higher-end managed services on more than 500,000 points of service for businesses worldwide.

NCR's proactive management approach to fault resolution includes early warning of faults and remote fixes. Root cause problem status messaging that enables better unit management is a foundation element within both NCR's widely deployed Gasper and new APTRA™ Vision management solutions. Faster resolution has led to a decline in numbers of lost transactions and improved customer service levels. APTRA Vision can also improve branch management decision making. This next generation management system combines operational information and availability metrics with measures of business performance and consumer experience. It provides insight into what is happening across the assisted and self-service network, thereby enabling more informed decision making.

Commitment

In today's volatile economic climate, companies seek a partner that is tried and trusted and financially stable. Banks are no exception. NCR has been the market leader in self-service solutions for more than 23 years and is now bringing that leadership and experience to the TCR market.

An important example of NCR's commitment to the market has been its acquisition in 2008 of Network Control International (NCI), a world-class development house and leading supplier of multivendor TCR software. By acquiring NCI and taking multivendor APTRA™ Cash Connect to market, NCR is now providing customers with a hardware choice across their branch network.

Mark McCallum, Director of Financial Services Cash Management Marketing at NCR, said *"As financial institutions focus on improving cash management, we view teller automation as a key enabler. We are able to provide the complete portfolio of hardware, multivendor software and associated services. Our solution has been designed to meet customer core needs and includes a number of unique features to improve their cash management position. NCR's multivendor APTRA Cash Connect software is the most widely installed in the world, whilst our remote monitoring and management solutions deliver unique value to a bank through improved levels of availability"*. ■

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