

WINCOR NIXDORF PERSPECTIVE

The new era in banking

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There is a key question that Wincor Nixdorf discusses on a daily basis with banks all over the world: What do process automation and cash handling solutions really do for banks? The answer is: automation technologies provide not only significant cost advantages, but greater security, transparency and process efficiency.

In terms of costs, the automation of cash handling processes using state-of-the-art solutions, for example, can generate savings of 20%. The \$300 billion cost of cash handling alone therefore illustrates what savings potential can be tapped by innovating processes in the cash cycle.

Cash handling involves a large number of interfaces, duplicate work and cost-intensive intermediate stages. Banks are constantly seeking ways to make it as efficient as possible, and although the savings potential has long been an issue in the segment, it has only been tackled in a piecemeal manner to date.

In view of this, what is needed is firstly, new concepts for minimising manual cash handling; secondly, the optimisation of cash flows in order to reduce the volume of money in circulation; and thirdly, the reduction of administrative overhead for controlling and monitoring the transport chain between the branch and the central bank (i.e. cash-in-transit, or CIT, operations).

Innovations in cash handling

The key technologies that address these needs include tried-and-tested cash recycling systems that enable deposited cash to be redispensed, which speeds up the cash cycle. Wincor Nixdorf has had more than two decades of experience in integrating cash recycling technology, and has installed cash recycling systems and intelligent deposit technology on around 58,000 occasions worldwide.

Another such essential technology is the standardised, intelligent banknote storage system. This is important for ensuring, for example, that notes paid in at the front office can be dispensed

by an ATM without any intermediate processing. To this end, Wincor Nixdorf's CINEO comprises cash dispensers, cash recycling systems, automated teller safes, transaction terminals, and solutions for retailers. It offers a very broad product portfolio, is based on a standardised technology platform, and can be combined to create solutions for functional and location-specific requirements.

A comprehensive solution for intelligent controlling of cash processes – from handling to logistics – should include not only hardware, but also software and services. Wincor Nixdorf's end-to-end solution, Cash Cycle Management Solutions (CCMS), can be used by retailers to actively integrate their cash operations. The cash processes in both banking and retailing complement each other and can largely be automated under a single roof. Retailers can create a closed cash cycle between the checkout zone and cash office. Banknote storage modules from automated POS systems can even be transferred to a bank's cash dispensers nearby – without first having to pass through a cash centre.

Cooperation between retailing and banking

In fact, cooperation between the retailing and banking industries can go even further. Postbank and Shell Deutschland Oil are pioneering new ways of doing business together. They are developing a payment model which uses self-service terminals as both a checkout and cash dispenser at service stations. In the meantime, Wincor Nixdorf has already converted 1,300 Shell stations in its role as systems integrator.

Wincor Nixdorf has also launched a trial project for cross-industry cash management in the Netherlands. A CIT operator, a bank and a retailer are currently testing the networking of their cash cycles. Proceeds taken at the supermarket can be used to replenish an ATM located at the store itself, in the nearby pedestrian zone or at the next bank branch. Such efficient controlling of cash flows holds potential for the rationalisation of cash.

This intelligent networking of cash flows is founded

on Wincor Nixdorf's innovative technology. The key component is a chip in the banknote storage unit that contains information on the cash holdings in it at any given time, including the time and place when it was used and opened, which facilitates the tracking of customers' money. These 'intelligent cassettes' are handed to CIT operators at the store, from where they are taken not to a cash centre, but to a bank branch. In this way, positive and negative cash balances can be settled directly between stores and branches.

Cash centre technology integrated

The technical integration of cash centres is yet another component in the optimisation of cash processes. Wincor Nixdorf cooperates in this with Giesecke & Devrient (G&D), with G&D integrating Wincor Nixdorf's new, intelligent cash cassettes in a handling system for cash centres. As a result, the cash cassettes from banks or retail companies no longer need to be opened by employees of cash centres, and the cash does not need to be counted manually nor resorted.

Monitoring and transparency

CCMS also includes a software package that allows banks and retailers to optimise cash processes from their store or branch to the central bank on their own. This includes the monitoring of cash, daily forecasting, controlling the CIT operator, order management, and technical controlling of equipment, such as status reporting. As a result, it covers all the tasks involved in cash handling. Of course, banks and retailers can also hand over the complete control of their cash processes to the service organization at Wincor Nixdorf.

Lower costs, better security, and greater transparency

Concrete calculations from the banking industry show the financial impact of cash management can be a savings of 20%.

However, the benefits are not limited to costs. There are also the issues of security and transparency. If cash is stored in intelligent, closed systems, tampering and manipulation are avoided from the outset, as are inventory discrepancies.

Transparency is ensured by end-to-end tracking of cash flows in real time over the Web. Permanent realtime monitoring guarantees that all relevant parties are informed of the cash holdings and



The ultra slim cash recycling system
CINEO C4040

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movements in the supply chain at all times. As with a parcel delivery service, banks can see the status and location of consignments and their value.

Innovating to create added value

As with cash handling, innovation is also the key to success in automated cheque processing. In 2005, Wincor Nixdorf presented its first module for processing cheque bundles. Two years later, *Bank Technology* magazine called the solution one of the most innovative technologies for the banking industry. Since then, Wincor Nixdorf has collaborated with customers in special user groups to continuously develop its Cash/Check Deposit Module technology into an end-to-end solution, one that has been installed around 10,000 times in the US market alone.

Innovative process automation, such as solutions for cheque and cash handling, as well as new models for cooperation between all the parties in the cash cycle, creates added value for companies and consumers. The technology now available helps cut costs significantly, but just as important, information and automation technology ensures greater transparency and security in the complex cash logistics chain. ■

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