



Why cash recycling makes an essential contribution to the efficiency of retail banks and customer satisfaction, and reduces the environmental footprint.

By Ludwig Simoen



Like many economic topics, cash recycling is really a form of process optimization on many different levels; it can be viewed from many different angles:

- It affects many aspects of cash handling
- It changes the workflows of your employees
- It transforms the way consumers and small medium businesses (SMBs) interact with financial institutions (FIs)

Has your organization fully evaluated the people, processes and technology that cash recycling would impact? A thorough evaluation is worth it: The benefits are significant, and the positive impact of cash recycling can be felt throughout the whole retail banking business cycle.

“Cash recycling technology has proved to be a cost-effective cash-management solution for financial institutions (FIs) around the world, offering benefits from reduced cash-handling costs and CIT visits to an improved consumer experience.

I strongly believe that despite the incredible pace of change in consumer payments behavior today, cash will not disappear and the investment in cash recycling will pay off immediately.”

—Ludwig Simoen
Director, Pre-Sales Banking Eurasia, Diebold Nixdorf

The possibility of shifting standard transactions to self-service creates opportunities for new ways of doing things. It also creates time for your employees to offer more interactive and sophisticated processes such as consulting. And not least of all, it creates new opportunities for your organization, your consumers and your valued SMBs.

Consumers and SMBs, for example, gain the flexibility to prepare and complete cash transactions whenever they like, and enjoy direct crediting to their account. On the flip side, your FI taps into a proven method of gaining efficiencies and reducing cash-related operating costs—despite the growing demand for digital, cash management remains a major and mandatory part of banks’ day-to-day operations. And the fact of the matter is, maximum efficiency is even more important when transaction numbers decline.

Our research has found that organizations that implement cash recycling see an approximate 50% reduction in operating costs.

As the world changes, the importance of self-service channels grows

As we have recently seen with the pandemic, it is essential to be able to provide basic services quickly and efficiently, with the necessary distance but without becoming impersonal. That intersection is where self-service cash recycling makes a decisive contribution as a uniquely positioned touchpoint. It supports branch transformation trends that were already underway, like cashless/teller-less branches, mini branches, ATMs “as” the branch or remote/virtual assistance. Those emerging formats all have something in common: cash transactions were shifted from the teller to the self-service area. In each scenario, cash recyclers allow a smooth transition to cashless mode.

To execute successful digital strategies, FIs must be able to rely absolutely on the availability of their “technical staff”, the self-service solutions. A combination of an ATM with recycling capabilities, together with a proven cash cycle optimization solution that makes use of AI and machine learning

algorithms, offers the best possible availability of the system in the most cost-efficient way. Greater availability improves the user experience, which boosts customer satisfaction and allows even more transactions at the ATMs.

An improved service for one of the largest customer groups

SMBs account for 70% of all cash deposits in many branches and represent an important customer group for FIs. And the reality of cash payments is that they require physical activity, for both your organization and your SMB clients. Automating the cash journey wherever possible becomes absolutely critical. This is where smart self-service cash recycling solutions can help: SMBs can deposit larger bundles more easily through self-service, providing cash that can be immediately recirculated through the ATM to use for cash-out transactions.

Sustainability in cash supply

The more the SMB segment is migrated to self-service, the more it helps reduce cash-related costs by creating a closed-loop recycling environment that automatically moves money through the system. It has the added benefit of prolonging CIT intervals drastically. From a sustainability perspective, remarkable amounts of CO2 emissions can be saved.

If we look at the amount of CO2 a single tree can absorb yearly, a network of 300 recycling ATMs saves CO2 equivalent to 21,250 trees per year—which means 170,000 trees over the lifetime of the ATMs.

The wide net of recycling feasibility

Many FIs we work with are surprised to discover that their organization benefits from cash recycling even without perfectly balanced-cash-flow scenarios. Benefits are realized in environments where cash-in/cash-out ratio is anywhere from 70:30 to 30:70, as significant financial and environmental savings can still be made if ATMs need to be replenished less frequently. Operational efficiency can be further improved through changes to the note denomination mix in the cassettes, along with additional strategies, depending on the location of the self-service system. Let's discuss your organization's unique approach today.

The Value of Cash Recycling



Efficiency



Flexibility



Speed



Personalization



Continuity



Availability



Sustainability

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