



# Innovation in Action:

The Intersection of Automation,  
Cash Cycle Management and  
Customer Service





# Introductions

1

# Our Panelists



**Dan Sibila**  
Sales Executive  
Sesami



**Anna Istnick**  
Director, Go to Market  
Sesami



**Briana Aguilar**  
Senior Solutions Consultant  
Sesami



# Agenda

# 2



# Workshop Goals

Explore the latest trends and strategies to gain a competitive advantage in overcoming current challenges in retail banking by:

- Reviewing the state of the retail banking industry
- Examining the trends informing many strategic initiatives
- Identifying the challenges facing financial institutions
- Exploring effective solutions that address these challenges



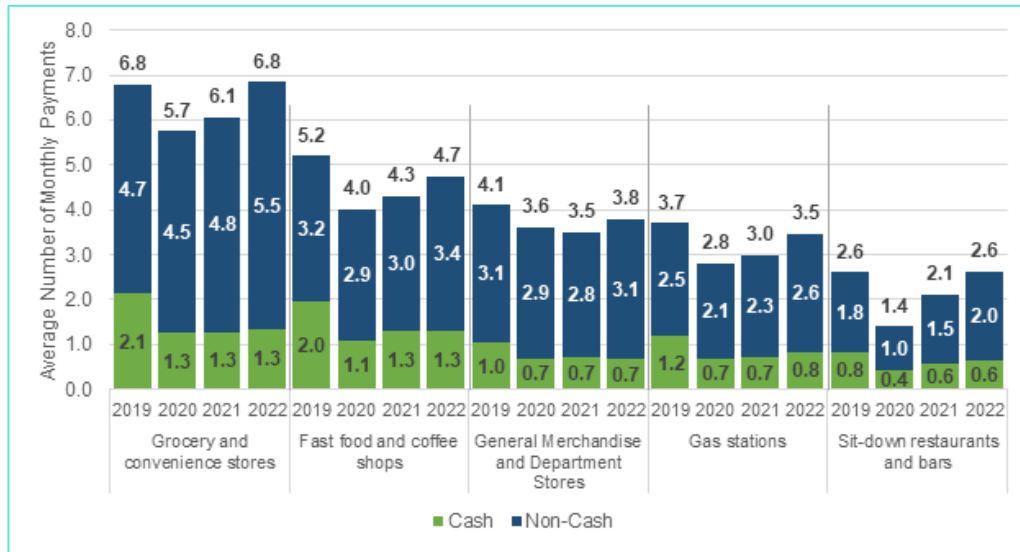
# State of the Industry

Statistics, Current Challenges and innovative solutions verbiage

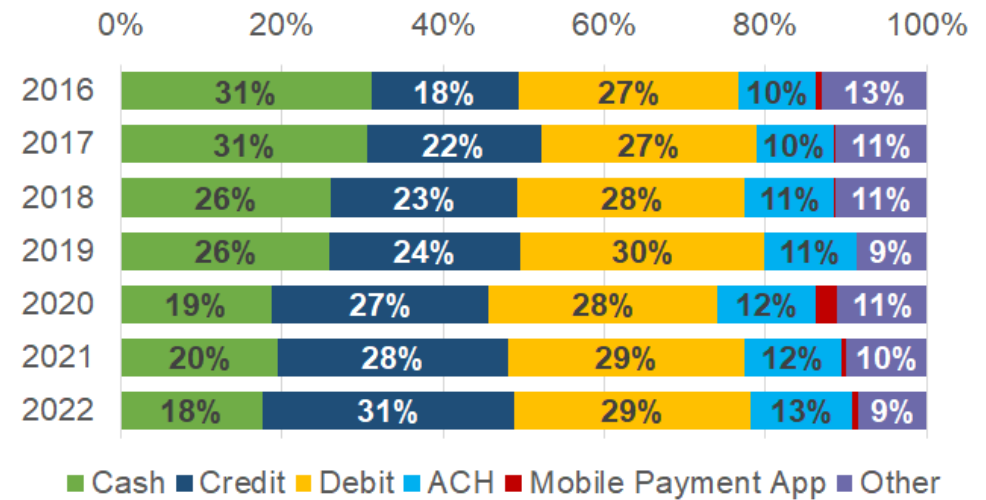
# 3

# Cash Payment Trends

Average number of monthly cash and non-cash payments by merchant type



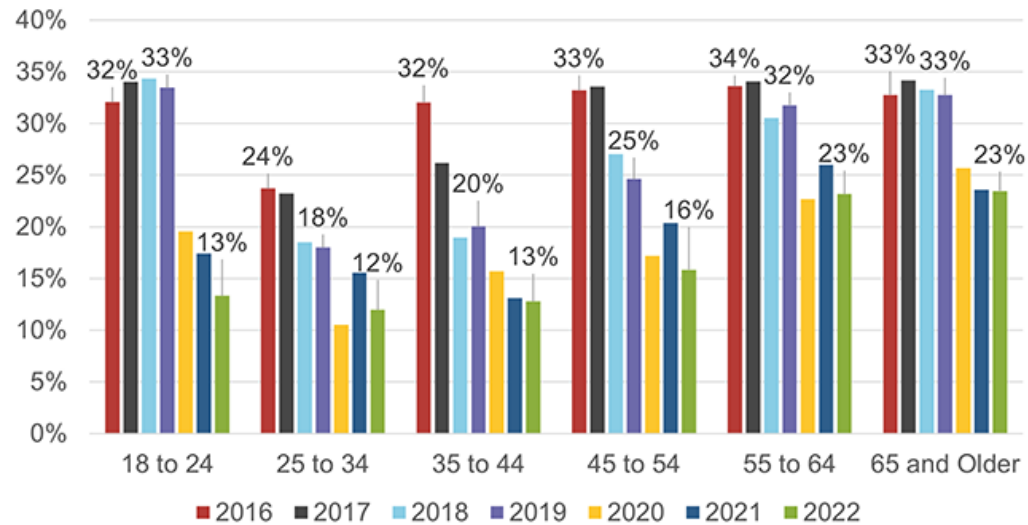
Share of payment instrument use for all payments



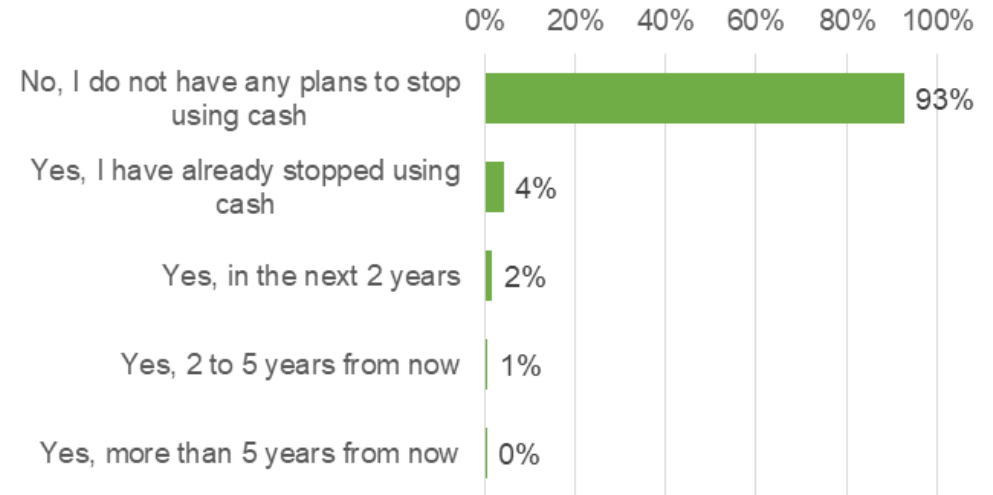
<https://www.frbsf.org/cash/publications/fed-notes/2023/may/2023-findings-from-the-diary-of-consumer-payment-choice/>

# Cash Usage Trends

## Shares of cash use by age group



## Do you currently have any plans to stop using cash in future?



<https://www.frbsf.org/cash/publications/fed-notes/2023/may/2023-findings-from-the-diary-of-consumer-payment-choice/>





Do you currently have any plans to stop using cash in future?

Yes

No





## Is Cash Still Relevant?

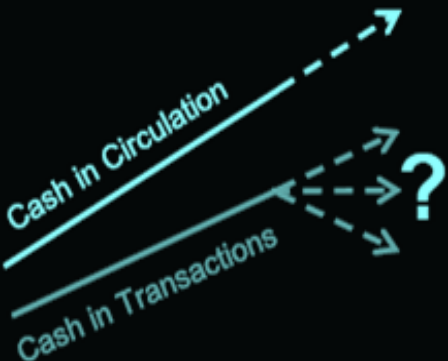
Across the globe, policies are being developed to ensure that **cash is secured as a payment option.**

**Migration trends are fueling the use of cash** as people move across borders from countries where Cash is King, towards Europe and the Americas.


This is in the long-term interest of the **safety, stability and fairness of the payment system.**

# Industry Cash Challenges

**Cash Paradox**  
unpredictable  
development of  
cash in transactions




**Multiple Crises**  
increasing volatility  
in cash demand and  
cash infrastructure  
needs



**Rising Costs**  
increasing costs for  
cash processing vs.  
low flexibility in cost  
structure

**2/3**  
fixed costs

**Climate Change**  
reducing carbon  
footprint in the cash  
cycle vs. cheapest  
solution



# ■ Cash Trends in Banking

## Where is the industry headed?

- Extended cash transaction to Automation
- Integration of cash in e-commerce
- Addressing un-banked and underbanked needs
- AI-based cash forecasting

### North America

Between 2020-2021, cash payments in the US accounted for **20% of all payments** – the increase (1%), although small, is notable.

### Latin America

Cash remains the leading payment method, **used for 36% of all transactions.**

# ■ ■ Branch Services Trends

ATMs

xxxxxx

Merchant Services

xxxxxx

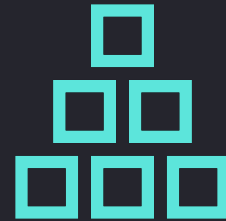
# ■ Trending Strategic Initiatives



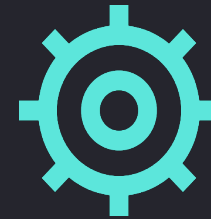
**Branch  
Rationalization**



**Cash Cycle  
Management**



**Expanded  
Services**



**Automation**



**Customer-Centric  
Services**

# **Current Challenges for Financial Institutions**

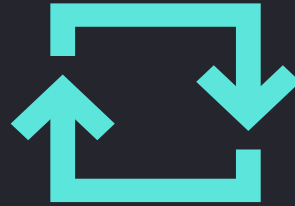
- Delivering a better experience for their valuable merchant/consumer business customers**
- Meeting the growing demand for expanded services within the branch**
- Optimizing cash management by consolidating cash automation devices into a single reporting platform**

# ■ Innovative Solutions



**Merchant services**

Explore how automation can streamline merchant operations, reduce errors and improve efficiency.



**Customer Driven Solutions**

Discuss how customer driven solutions can enhance customer experience, reduce teller workload and increase operational efficiency.



**Platform Agnostic Custom Reporting**

Examine the need optimize cash cycle management across the branch cash ecosystem with business intelligence that improves planning and reduces costs.





Is implementing technology a driving factor in your strategic branch initiatives?

Yes

No



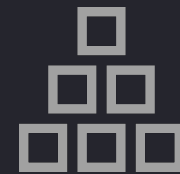
# ■ Trending Strategic Initiatives



**Branch  
Rationalization**



**Cash Cycle  
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**Expanded  
Services**



**Automation**

# ■ Branch Rationalization

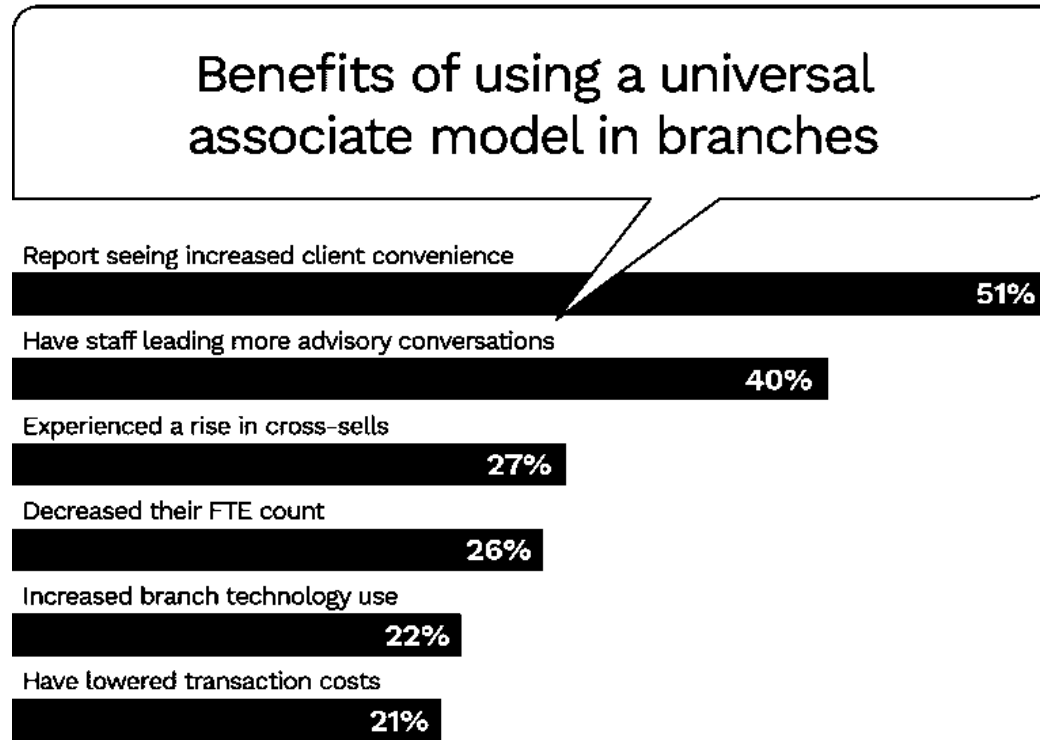


**Branch Rationalization** is the process of evaluating branch networks and the strategic choices about whether branch locations are maintained, closed or transformed. It involves the examination of both member usage as well as market-based growth opportunities to determine the optimal branch configuration necessary to penetrate the market. Evaluating and mitigating the business risk associated with member attrition is critical to executing a branch rationalization strategy.

With traditional branches closing these are the evolving styles of branches:

- Pod Designs
- Satellite Branches
- Micro Branches
- In-Store branches
- Cash/Coffee Bars
- Mobile Bank Branch
- Traditional & Open Teller Lines

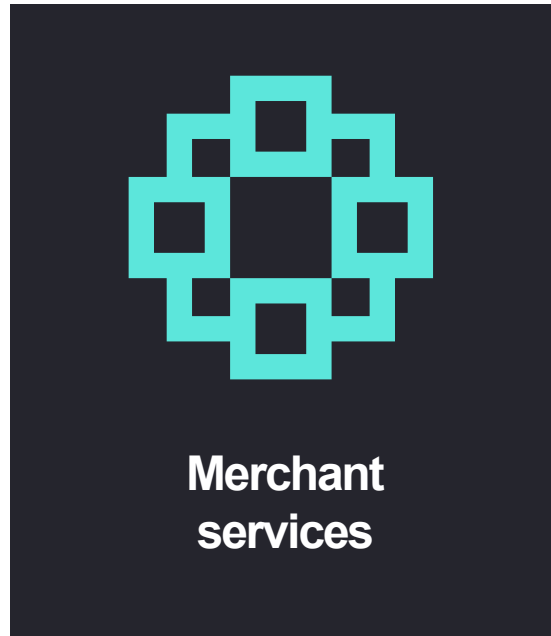
# Branch Rationalization



THE FINANCIAL BRAND © September 2022 SOURCE: CFM

- Fewer people opt to do their banking in person
- Acquisitions allow for expanded market share, but an overlap of geographic coverage
- Most revenue is derived from sales within the branch
- Renovated physical branches see 20x more visits

# ■ Branch Rationalization

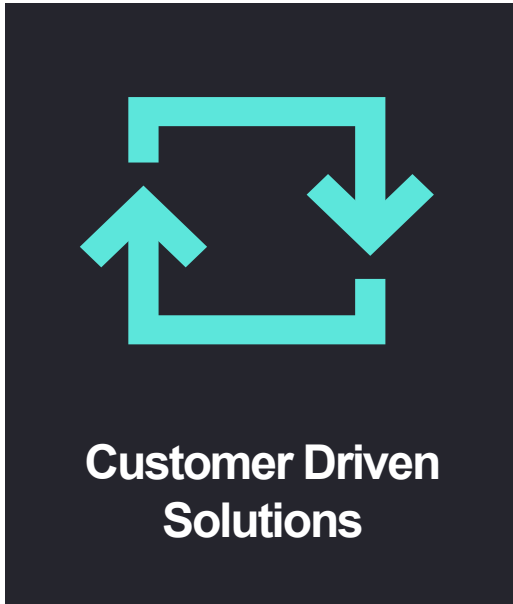


Shrinking branch networks, particularly in cash driven markets, has created an opportunity for retailers to offer financial service which in many ways compete with bank branches. However, this doesn't help manage commercial/merchant cash.

What comes to mind:

- Lockers
- Express Night Deposit Machines
- Express Change Order Machines
- ITMs
- ATM's with more capabilities
- On location Vaults

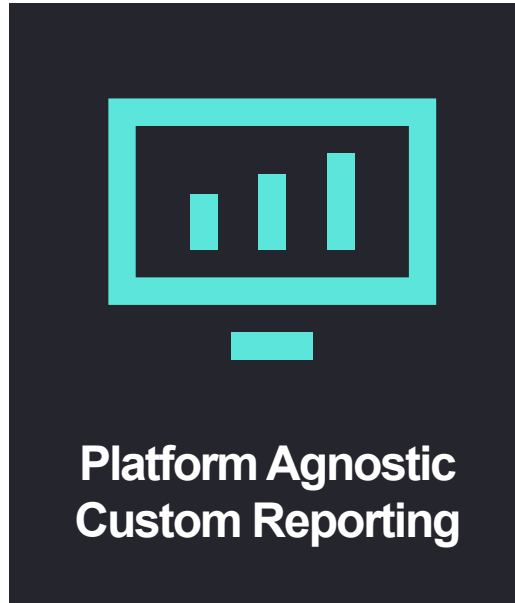
# ■ Branch Rationalization



With increasing customer demand for self-service options Fis should evaluate new branch technologies and formats that meet the needs of their customer/member base and improve branch operating efficiencies.

More Technology (cueing/QR translations, NFC etc.)

# ■ ■ Branch Rationalization



Today, many FI's find it challenging to manage reporting for their various cash systems:

- ATMs (on & offsite)
- Branch Automation: TCD's, TCR's, ITM's, Currency Machines, etc.
- Branch Vault Cash (Main, Day, Interim)
- Treasury Services Solutions for Merchant Cash Management

Systems from various vendors, operating on a different platforms, generates multiple reports and complicates management of the cash ecosystem as a whole by requiring manual input.

Implementing a device and vendor-agnostic tool automates cash ordering, maintaining cash levels and other cash activities streamlines cash management costs and efficiencies.

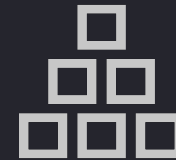
# ■ Trending Strategic Initiatives



Branch  
Rationalization



Cash Cycle  
Management



Expanded  
Services



Automation



# ■ Cash Cycle Management



**Cash Cycle Management** refers to the ongoing effort to optimize the day-to-day administration of managing cash flows in out and of the branch.

With a multitude of daily transactions that must be managed across multiple, disconnected cash systems, administration often still requires significant manual intervention. True cash cycle management is an initiative to automate as many of these processes as possible using cash automation devices and a software to unify reporting from all devices regardless of vendor, device, or operating platform.

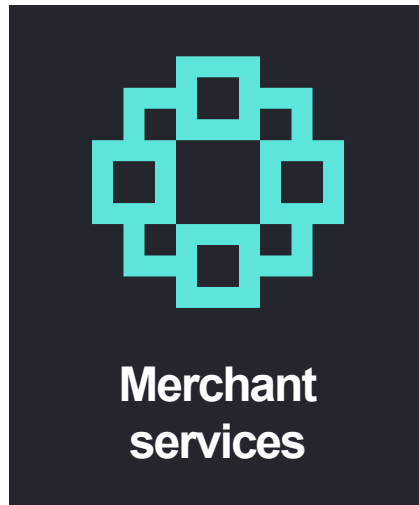
# ■ Cash Cycle Management

In the rapidly evolving financial landscape, the question of "how can I better manage cash and reduce costs?" is becoming increasingly pertinent. Leveraging data-driven strategies to accurately forecast cash volume needs at the branch level optimizes cash management but also significantly reduces operational costs.

By using data-driven solutions you can automate cash processing, track cash levels in real time, and optimize cash orders and deposits. Benefits include:

- **Forecasting Cash Demand**
- **Optimizing Cash-in-Transit (CIT) Services**
- **Enhancing Security**
- **Improving Operational Efficiency**
- **Strategic Decision Making**

# ■ Cash Cycle Management



**Cash Cycle Management can impact both the merchant and the FI in one of more of these areas:**

Cash In Transit (CIT)

Enhanced Security

Provision Credit Potential Services

Cash Visibility

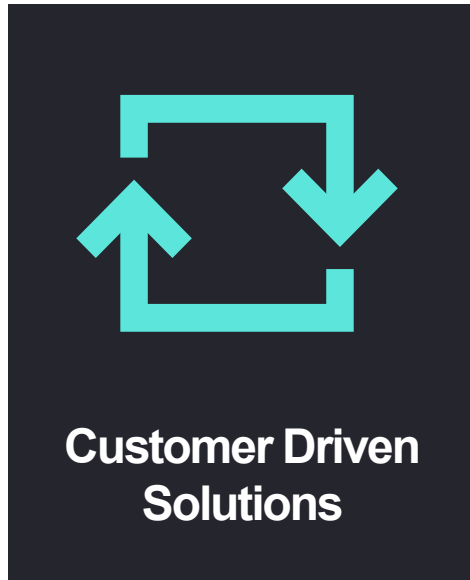
Operational Efficiency

Cash Forecasting

Strategic Decision Making

Physical Vault

# ■ Cash Cycle Management

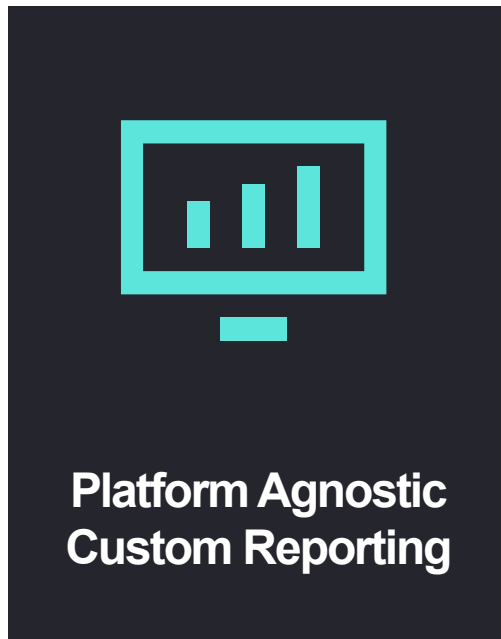


**Now, more than ever, customers are looking for innovation to provide speed and convenience.**

**Optimized cash cycle management achieves a better customer experience through:**

- Nearly real time reporting
- AI Driven Reporting to notice trends that help overall strategies
- Clear reporting assists with decision making
- Strengthened Relations with new services that can be provided

# ■ Cash Cycle Management



**An integrated reporting platform that is vendor and device agnostic is the key to true cash cycle optimization.**

- Consolidates various systems and devices into one reporting platform in nearly real time
- Creates visibility locally and across the enterprise
- Mitigates risk
- Optimizes Cash Forecasting

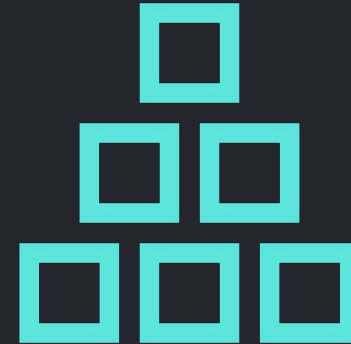
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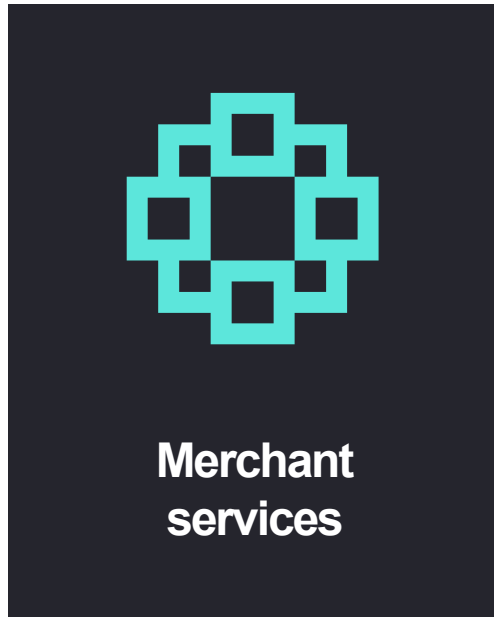
**Automation**

## ■ Expanded Services



**Expanded Services** describe the effort of financial institutions to add additional service options that are beyond the typical in-branch banking offerings. These include services available to personal banking and commercial business customers.

## ■ Expanded Services

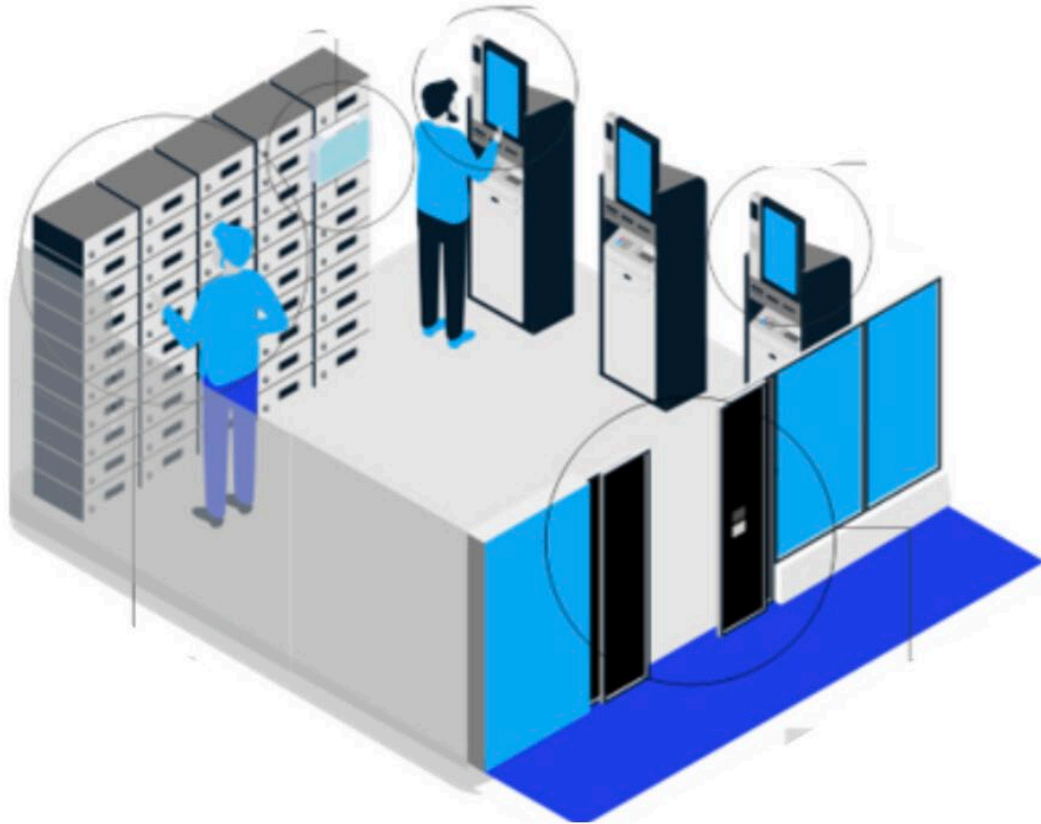


Allows financial institutions to offer hardware and software services to commercial customers through enhanced services including:

- Provisional Credit
- Cash Device Management
- Onsite hardware (cash/coin) and software offerings
- Cash Locker
- Self-Check Out for both consumer or back office



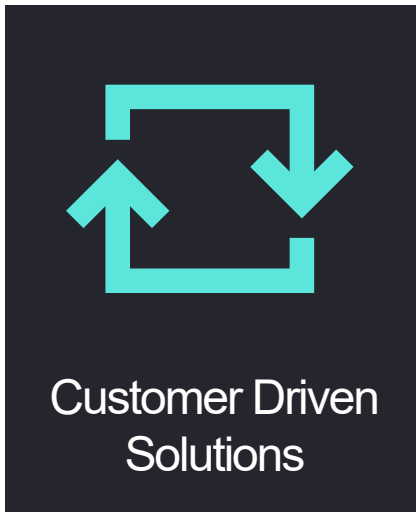
## Expanded Services



Non-traditional expanded retail banking services examples:

- Intelligent Night deposit system
- Consumer interactive self-service terminal
- Commercial interactive self-service terminal
- Interactive locker system
- 24/7 secure monitoring

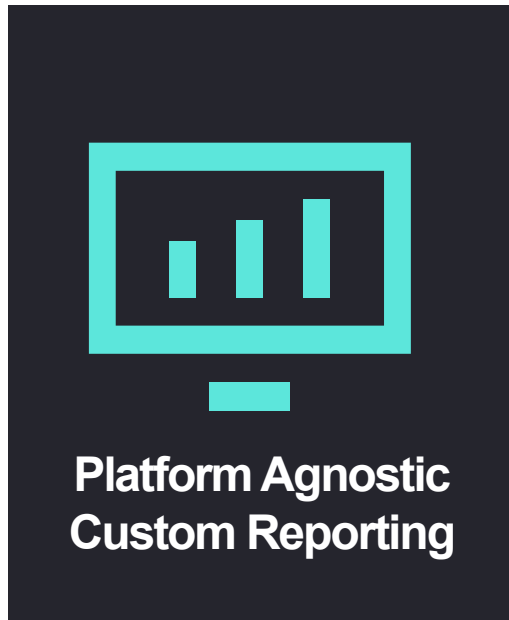
# Expanded Services



**Creates opportunities for financial institutions to enhance and grow their commercial relationships by giving merchants:**

- Provisional Credit
- Assurance of Cash Deposits (Night Drop)
- Extended Bank Hours through Cash Automation Services
- Branch ordering/Depositing of cash easily
- Better customer service
- Reduction in labor needed to manage merchant cash

## ■ Expanded Services



Platform agnostic reporting seamlessly integrates devices across your cash ecosystem and drives predictive models to:

- Optimize Cash Forecasting
- Provide Nearly Real Time diagnostics
- Streamline Reporting

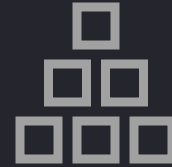
# ■ Trending Strategic Initiatives



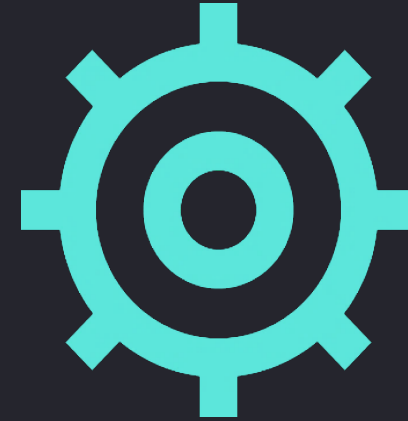
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## ■ Automation

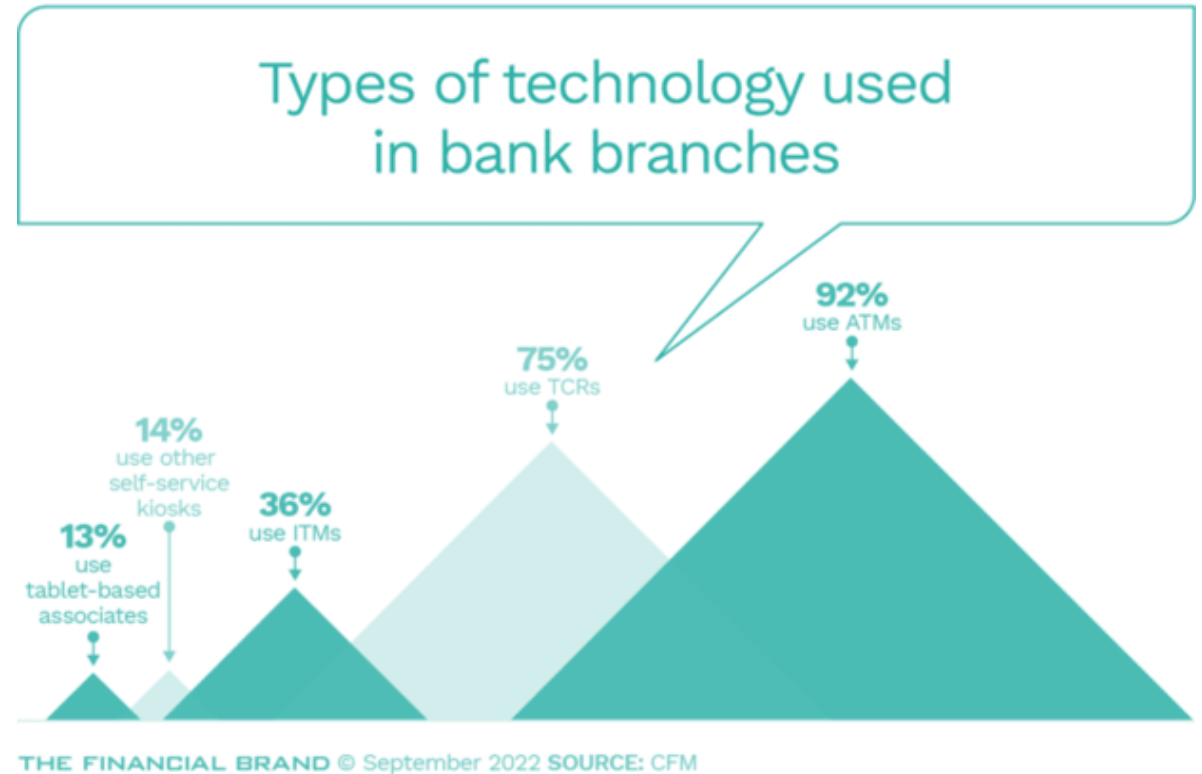


**Automation** refers to use of technology to execute cash processing tasks that branch staff would perform manually. Branch automation helps improve the customer experience, reduce costs, increase security, and improve operational efficiency.

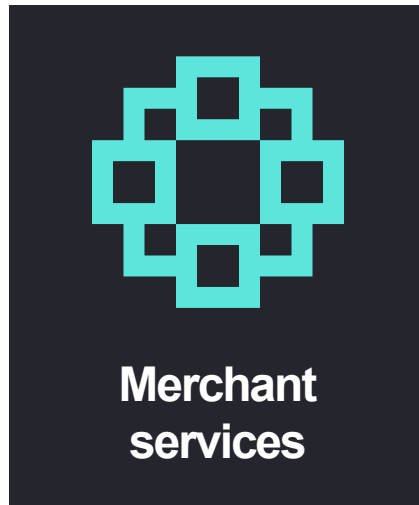
# Automation

Cash Automation technology is ranked as the most critical technology to retail branch strategies.

Teller cash recyclers (TCRs) have high adoption rates, with an average of two devices per branch, and are considered critical for branch strategy by 59% of bank executives .



# ■ Automation



## Determining factors for FI's to provide automated services to merchant customers:

- Increased Revenue
- Customer Retention & Loyalty
- Expanded Customer Reach
- Cash Management
- Revolutionizing operations
- Enhanced Customer Experience
- Opportunity Growth

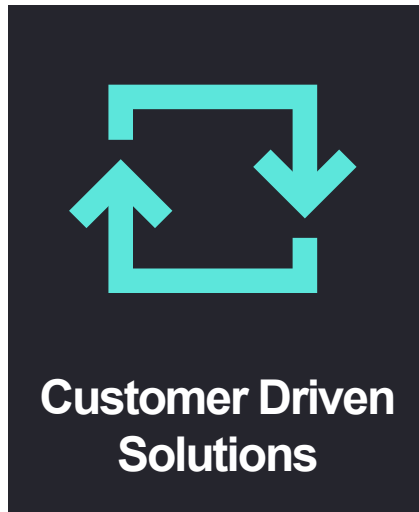
## ■ The Value of offering merchant services

# Did You Know?





# Automation



## How Customer Driven Solutions play a role in automation Strategy?

### Driving Factors:

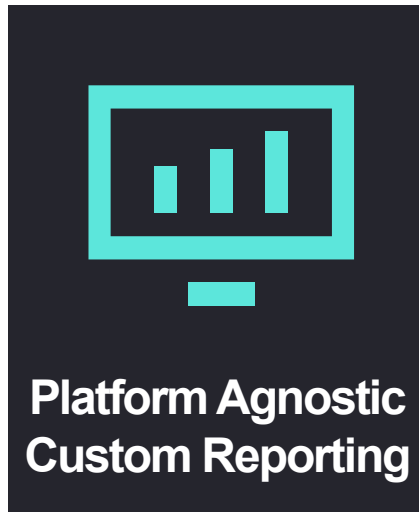
Technology (Mobile Banking, Self Service, AI, E-Banking Terminals etc.)

Reduction In Errors

Improvement of Customer Experience

Enhancement of Efficiency and Productivity

# Automation



## **An integrated reporting platform optimizes**

cash cycle management, ensuring FIs maintain the right balance of cash availability and operational efficiency, leading to improved financial planning and reduced costs.

Minimizes operational costs by minimizing spending for logistics, cash processing and cash holdings, while always ensuring cash availability across the network.



## What Our Clients Say



**There is a future for cash, but how bright it will be depends on whether we will be able to keep it convenient, efficient and safe.**

Henk Esselink, Head of Section, Directorate Banknotes,  
European Central Bank



# Thank you

