



CASH MANAGEMENT RESEARCH

Addressing Labor Costs in Retail Cash Management

BEFORE AUTOMATION **COSTS OF LABOR SOAR**

The cost of traditional retail cash management is steadily increasing. Today's costs include various aspects such as handling, reporting, reconciliation, and losses. Together, those expenses can reach 4.7% to 15% of a retailer's total cash transactions.

So, every \$100 loses around \$4.70.

Often, these expenses are hidden within management or supervisory roles, making them less visible but no less impactful on the bottom line.

IHL RESEARCH OF RETAIL CASH PAYMENTS COSTS

4.7% to 15%

of a retailer's total cash transactions go toward the labor, reporting, and losses associated with that cash.

16%

of all retail transactions are made in cash.

#3

Cash is the third most used payment method in the U.S.

BEFORE AUTOMATION

THE REAL COSTS OF LABOR

Labor costs have risen significantly in the last 4 years - driven by hourly wage increases, benefits hikes, and employee turnover rates as more people job-hop faster.

REGISTER PREPARATION AND RECONCILIATION:

441 MINUTES/WEEK (per register)

\$220.50/WEEK

(AT \$20/HOUR + BENEFITS)

441^{min/wk}

280^{min/wk}

280^{min/wk}

15^{min/wk}

BANK TRIPS TO DEPOSIT CASH:

280 MINUTES/WEEK

\$140/WEEK

(AT \$20/HOUR + BENEFITS)

STORE RECONCILIATION AND REPORTING:

15 MINUTES/WEEK

\$7.50/WEEK

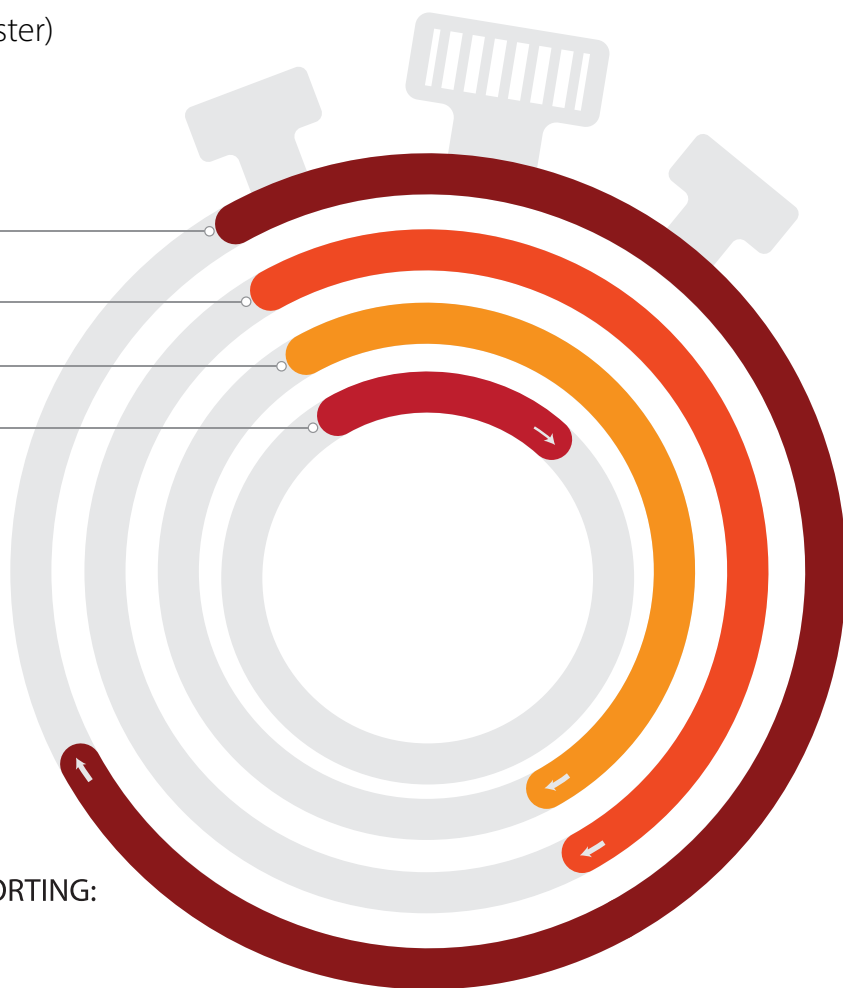
(AT \$20/HOUR + BENEFITS)

DEPOSIT PREPARATION:

280 MINUTES/WEEK

\$140/WEEK

(AT \$20/HOUR + BENEFITS)



AFTER AUTOMATION SMART SAFES

Transitioning to a smart safe system is one of the simplest ways to begin cutting time and energy spent on your store's retail cash management. Money is more accurately machine counted with armored carrier pickups. Smart safe programs usually include digital reports, as well. The savings in labor adds up fast.

BANK TRIPS (become armored carrier pickups)

72 MINUTES/WEEK

\$36/WEEK

SAVE \$104 / WEEK

72 ^{min/wk}

331 ^{min/wk}

56 ^{min/wk}

3 ^{min/wk}

DEPOSIT PREPARATION:

56 MINUTES/WEEK

\$28/WEEK

SAVE \$112 / WEEK

REGISTER PREPARATION AND RECONCILIATION:

331 MINUTES/WEEK (per register)

\$165.50/WEEK

SAVE \$55 / WEEK

STORE RECONCILIATION AND REPORTING:

3 MINUTES/WEEK

\$1.50/WEEK

SAVE \$6 / WEEK



AFTER AUTOMATION CASH RECYCLERS

Cash recyclers take cash automation a step further. Like smart safes, they automatically count and record store cash deposits. However, they also automate start-of-shift register funds, breaking large bills, and providing additional register funds throughout the day.

BANK TRIPS (become armored carrier pickups)

72 MINUTES/WEEK

\$36/WEEK

SAVE \$104 / WEEK

72 min/wk

15 min/wk

10 min/wk

3 min/wk

DEPOSIT PREPARATION:

10 MINUTES/WEEK

\$5/WEEK

SAVE \$135 / WEEK

REGISTER PREPARATION AND RECONCILIATION:

15 MINUTES/WEEK (per register)

\$7.50/WEEK

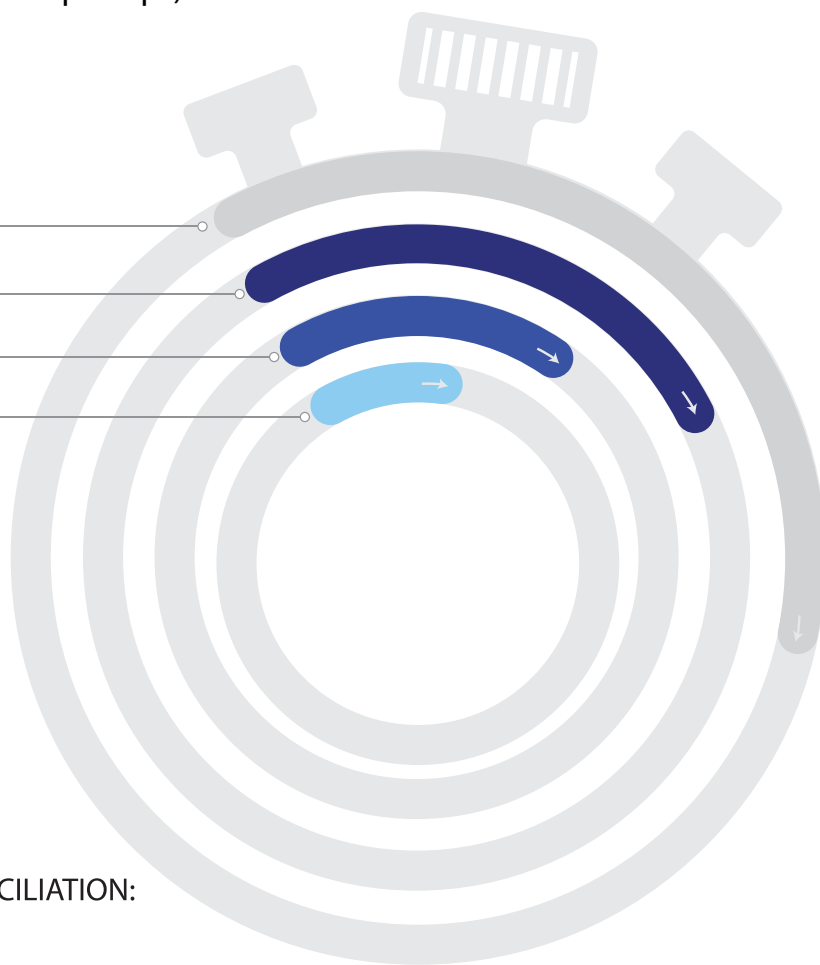
SAVE \$213 / WEEK

STORE RECONCILIATION AND REPORTING:

3 MINUTES/WEEK

\$1.50/WEEK

SAVE \$6 / WEEK



NOT ALL SYSTEMS ARE EQUAL

SINGLE-NOTE VS. MULTI-NOTE

Labor is the primary source of most traditional retail cash management costs. Switching to automation should alleviate a majority of that expense - by limiting the time employees spend with their hands on cash.

Single-note cash equipment will help improve reporting and security. But they

do not alleviate the need to count and sort funds as store management must deposit bills into the note acceptor one at a time.

For this reason, most time savings and benefits have been shown to come from automation systems with multi-note acceptance.

Additional Resources:

- Recyclers versus Smart Safes: What's Better for Retailers?
- The Hidden Costs of Cash Management
- Not All Smart Safes are Equal: 3 Things You Need to Know
- 3 Ways Retailers Can Spend Less Cash on Cash

