



Crisis prevention strategy: how effective Cash Management can help to save your ATM ownership costs

New COVID-19 reality for the banking sector

According to the last International Monetary Fund report, the COVID-19 pandemic is inflicting high and rising human costs worldwide. As a result of the pandemic, the global economy is projected to contract sharply by – 3 percent in 2020, much worse than during the 2008–09 financial crisis. The Great Lockdown has an obvious impact on shifts in spending patterns. Many countries face a multi-layered crisis comprising a health shock, domestic economic disruptions, plummeting external demand, capital flow reversals, and a collapse in commodity prices.

Naturally, the banking sector is forced to adapt to new conditions, impacted by restrictive governmental measures and by customer behavioral changes. Around the world, bank branches are closing down (even in countries where this was not the requirement of the state). Those branches that continue to work, begin to serve customers only by individual appointment. Some banks open an hour earlier and during this time only accept at-risk customers. Many banks are reviewing banking fees for customers. Some of big players even have announced the launch of their corporate customer support programs in the form of credit holidays.

Why ATM availability is still important for banks today?

Yes, it's a fact that banks go digital. But omnichannel experience is still needed. While banks now enable customers to access their services in numerous ways, ATM use remains the most common method of self-service bank communication. And in the new conditions, when customers are forced to avoid visiting bank branches, ATMs and other self-service devices become almost the only way for them to receive cash and perform part of the necessary operations. So, banks still have to develop and maintain this channel of self-service banking.

Providing banking services through self-service devices can and should be considered when changing the bank's strategy in this situation. Empowered ATM fleet can become a significant advantage when optimizing its operating activities and reducing the ATM ownership costs.

The cash management process, including CIT service management, is one of the ATM operational activities keystone. Running effective cash supply chain management, you can get not only the growth of operational efficiency, but also sufficient operational cost savings. Cost savings in short terms becomes a strategic response to the crisis.

What does effective Cash Management mean?

Instead of using excel-based or other in-house created cash management models, banking solution providers recommend to use modern cash management platforms to reduce costs associated with cash distribution. The Cash Management^{iQ} software platform, developed by BS/2 company, is designed to solve the problem of efficient cash distribution at cash collection and withdrawal points: ATMs and other self-service devices, as well as in bank vaults, branches, and retail networks. The solution allows banks and processing centers to automate their operational processes and document workflows associated with cash circulation.

Deploying and utilizing the modern cash management system allows minimizing the costs of cash replenishment due to optimized planning of cash resources and reducing of unused cash in ATMs, bank branches, and vaults. It also helps to reduce CIT services costs as a result of optimized planning and reducing the number of unplanned operations. How this solution works in practice you can read in the case of [Cash Management^{iQ} implementation for Kapital bank](#).

Changing times call for new solutions

Changing times call for a business strategy correction and a new approach to providing banking services. This is mission-critical not only for banks, but for banking solution providers as well. Developing Cash Management solution BS/2 company works in close collaboration with strong partners. BS/2 implemented new features into Cash Management^{iQ} system via the integration process of the platform with the A-Series™ access control solution from Sargent&Greenleaf (S&G) company. The A-Series™ combines state-of-the-art access control software with time-proven S&G lock manufacturing technology to provide ATM manufacturers, banks, and CIT vehicle companies with streamlined, simplified, and secure ATM management.

As a result of this integration Cash Management^{iQ} was enriched by new features, automating the process of assigning tasks and providing relevant access to CIT personnel is one of the most useful ways in increasing the overall efficiency of the cash flow process. Now generation and distribution of access codes to A-Series electronic locks installed on terminal safes have become a part of the cash collection order assignment in the Cash Management^{iQ} system. When creating a cash replenishment order, the Cash Management^{iQ} system automatically generates a unique one-time code to open the safe door. The code is then added to the CIT route document and sent to the collector in charge.

Each one-time code has a time-window for the duration of which it can be used. This reduces the risks of internal fraud because the code cannot be used after the time is up. To get access to the safe of an ATM, payment kiosk, or another self-service device, the collector uses the generated code and his electronic key (iButton) which logs all CIT-operator actions. Thus, the A-Series solution eliminates the need for standard mechanical locks.

Note, that the use of electronic locks and the automatic generation of access codes are important conditions of the CIT services smooth work during quarantine. CIT staff do not need to receive and give back physical keys, therefore, the possibility of COVID-19 virus transmission this way is eliminated, and the number of person-to-person contact is also reduced.

Benefits of Cash Management^{iQ} and A-Series Solutions Integration:

- Provide a higher level of security during cash collection using the one-time single use codes.
- Reduce operating costs associated with the management of mechanical keys.
- Simplify the work of the employee responsible for cash collection management.
- Provide a more flexible approach to partial or full outsourcing of the cash collection service.
- Accelerate the cash collection process by enabling collectors to spend less time at terminals.
- Use advanced features of electronic locks (alarm combinations, logging operations on the lock and key, etc.).