

WHITE PAPER

THE #NEXTGENBANK

# THE CASH MANAGEMENT CRUNCH RESOLVED BY AURIGA



[www.aurigaspa.com](http://www.aurigaspa.com)

Keeping ATM networks supplied with the cash customers need has been no easy task for years. The challenges faced range from knotty problems about logistics to risk, from manpower to cost of cash.

Accelerated trends for more digital banking, a declining use of cash for everyday payments and a reduction in ATM networks are increasing the cost of managing, moving and securing physical cash.

And, with current economic volatility, rising inflation rates will be added onto the rising operating costs for a bank's cash infrastructure.

For banks and ATM operators who are pivotal to how access to cash is preserved, solutions that ensure effective cash supply while reducing operational costs need to be deployed.

Many will be building upon existing systems, while others may need to overhaul cash management systems and processes more thoroughly. This is especially true when in some circumstances there are multiple cash-in-transfer (CIT) operators to coordinate – one moving cash from the central vaults to branches and another loading and unloading ATMs, as happens in Belgium, for example.

Auriga approaches the challenge of cash management optimisation from two directions.

Its **WWS Cash Management solution** sets the standard for end-to-end cash management. And its involvement in ATM pooling initiatives illustrates how ATM fleets can be rationalised to be both more efficient to run and deliver better customer service.



# PREDICTING FUTURE CASH NEEDS MORE ACCURATELY

Key to optimizing cash management is the quality of **predictive analysis** to recommend the right cash orders for delivery for the right locations at the right time to minimize the cost of cash operations to deliver the best customer experience.

How the system self-learns to calculate optimized cash orders sits at the heart of the WWS Cash Management. The system analyses in depth 12 months (or more) of data, computed by sophisticated algorithms with self-learning predictive mathematical logic, to forecast the bank notes and coins needed in various currencies and denominations for each ATM. Specific forecasting models can be created for each ATM based on their transaction histories and special events like bank holidays.



All these forecasts are then combined with logistics and regulations that apply to each cash point and unit (branch, cash depot, cash centre, and cash management office) involved in the cash management process. Every proposed order to deliver or pick up bills and coins must be confirmed by the authorized manager, who can accept, refuse or modify it or create a new order.

The predictive analytics optimizes **CIT management**. The **Cash Predictive module** assesses the daily data available from the management console of the ATMs and, based on historical and seasonal cash use, "instructs" the appropriate replenishment activities in detail.

Once the proposed order is approved by the designated CIT, the order can be finally authorized (or modified). If authorized, the order is incorporated into an operational packet for the CIT Company, the Cash Centre and Cash Depots.

Optimised CIT management is key to achieve operational savings without impacting ATM Services availability. The quality of cash forecasting is such that the solution reduces the costs of cash handling and cash transport by between 10% to 25% after 18 months. These savings come from an increased self-service availability, reduced warehousing of all cash points, reduced cash procurement costs and cash-in-transit costs.

# AUTOMATED END TO END CASH MANAGEMENT PROCESSES

Leveraging predictive analytics, this solution optimizes the cost of cashpoints and branches by anticipating their cash needs, plus providing counting rooms with details of the estimated amount of cash, increasing service level quality and avoiding unexpected cash outages.

A detailed tracking at every step allows users to monitor orders progress and make adjustments. Comprehensive performance monitoring helps optimize cash management from a dashboard. This shows cashpoints' availability (past, present and future), bills and coins withdrawn, loaded, deposited and/or recycled with the different branches, central cash offices or counting rooms. End users get a clear, accurate picture of the ATMs' operations and balances, the branches, orders, packages, costs, plus types of transfers and cash holdings.

When a cash order is accepted and authorized for dispatch, the system sends it to the CIT management system to set in motion.

To manage cash for the ATM service, there are several financial records that must be processed such as withdrawals, ATM loading/unloading, cash-ins and cash recycling, and clearing/settlement. All must be recorded in a general ledger and reconciled to ensure that there are no failures and errors in financial flows. All of this vital but complex work is done by Auriga's Cash Management solution.

**Cash reconciliation** is automated. A bank can automate the management of one-to-one, one-to-many, many-to-one and many-to-many relationships between different records and therefore apply the right reconciliation rules and generate tickets in the event that a reconciliation should fail. If there is any mismatch, a ticket is raised for specialised help desk resources to investigate, making use of the dispute resolution tools in the solution.

# HOW ATM POOLING CHANGES CASH MANAGEMENT

**ATM pooling** can leverage WWS cash management to maximise the operational efficiencies and improve customer experience. By siting ATMs in locations where customer demand will be greatest, ATM pooling controls cash management costs. With multiple banks sharing ATMs, CIT and insurance costs are lower, with less ATMs to protect and replenish. This helps put ATM services on track to break even and be profitable.



## THE FUTURE OF CASH MANAGEMENT

WWS Cash Management and its harnessing of predictive analytics and centralized end-to-end automated management controls costs while maintaining high availability of access to cash in even the remotest areas and busiest times. For example banks who use the solution report a **25% reduction of orders and a 15% reduction in manpower costs.**

WHITE PAPER

THE # NEXTGENBANK



Building 3, 566 Chiswick High Road  
London W4 5YA - United Kingdom  
london@aurigaspa.com  
www.aurigaspa.com