Perativ™
Cash Optimization Experts

Case Study

Background

Access Cash is a large ATM operator with more than 11,000 ATM's. Competing to win merchant locations for ATM deployments, Access Cash sought to drive down the costs of cash distribution to ensure it remained a market leader. They identified three areas that were keeping costs stubbornly high: (i) way too much cash in the system; (ii) too many unscheduled or emergency CIT loads; and (iii) frustration with "in-transit" or "suspense" accounts to balance that created significant time lags for relevant data.

Business Challenge

Access Cash's primary revenue source is ATM transaction fees, meaning, it only gets paid when the ATM's are transacting. Further, their largest operating expense is the cash loading of the ATM .To grow profitably, there was an imperative to ensure the ATM's were always operating (i.e. generating revenue) while minimizing the cost of cash distribution. At the time (in 2009), Access Cash loaded 1,200 ATM's and, while they optimized their forecasting, they still required a high volume of cash, well in excess of customer cash demand, to keep the ATM's from running out of cash. In addition, related activities of cash load reconciliation and treasury float reconciliation were a very manual, labour intensive process, and never truly balanced without a clearing account of some kind. Sure they balanced daily, but that was with an "in-transit" or "suspense" account that would take days or weeks to fully reconcile. So it wasn't really balanced – there was a data lag.   Adding additional ATM's to be loaded required incremental cash as well as additional staff to manage and reconcile.

To try and solve this puzzle, Access Cash sought out and evaluated all leading systems in the market for cash forecasting and reconciliations. These solutions each seemed to do a piece of the puzzle well, but none of them even contemplated the full puzzle. They were also costly to implement and required significant FTE and costs to maintain. While many were strong on forecasting with the usual data inputs, the common weakness they all shared was the inability to reconcile the completed loads, which still left the entire solution to be a heavily manual process in siloes with significant data lags.

The Solution

Having exhausted available solutions, Access Cash developed its own integrated automated solution that not only managed the cash forecasting, but also automatically reconciled loads every day and even managed the process right through the treasury reconciliation to cover the entire cash loop {bank account – currency center – CIT Vault – CIT in transit – ATM – Switch – Bank Account}. Treasury reports, loader process, bank and switch data were all integrated in an advanced system leveraging machine learning to eradicate the siloes, erase the data lags and drive down the costs of cash distribution.

Key Outcomes

- 42% decrease in amount of cash needed to keep ATM's fully operational
- 15% decrease in scheduled CIT loads
- 50% decrease in unscheduled and emergency CIT loads
- 250% increase in number of ATM's serviced with NO additional FTE
- Fewer cash outs, higher uptime generating more ATM transaction revenues

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