• Part 1: Intro/Our perspective........ 3 min
• Part 2: Cash Mgt Process..............4 min
• Part 3: Problems Retailers Have..... 4 min
• Part 4: Evolution
  – Boxes................................................. 1 min
  – Traditional................................. 2 min
  – Traditional + CIT....................... 2 min
  – Smart Safe................................. 5 min
  – Cloud.............................................. 10 min
• What we have learned....................5 min
• Summary/Wrap Up.........................4 min

• Total 40 Min
“The Evolution to Cloud-based Cash Management”

Patrick Smith
*Regional Sales Manager*

Cash management technology has rapidly advanced in recent years. The latest cloud based solutions have enabled significant new capabilities to retail organizations who handle large amounts of cash on a daily basis. In this presentation, we will review the cash process from an initial sale until the funds are deposited in the bank, the issues retailers face during these activities, and how cash management systems have evolved in addressing these issues.
Background Shaping My Perspective

- Corporate Safe Specialists/FireKing Security Group is the largest Safe/Cash Management company in the world.
- Delivering security solutions for over 60 years, with more than 360,000 traditional safe and 45,000 intelligent safe installations.
- Three research & development labs located in Chicago, Louisville, and San Diego and the largest engineering team in the industry.
- Largest footprint of customized solutions in the industry (Device Integration / custom form factor).
- Long time solutions partner with retailers, major CIT providers and Banks.
Top Cash Handling Issues

Top 10 Cash Management Issues facing retailers:

- Inefficient cash handling (counting, recounting, reconciling discrepancies, making deposits)
- Cash shrinkage (internal theft)
- Robberies/Burglaries
- Counterfeit currency
- Lack of information for cash forecasting
- Inability to track cash flow between POS and safe
- Safe and Bank deposit discrepancies
- Cash exposure (cash not held in a business rated safe)
- Inability to transfer data between safe and back office systems
- Safe not linked to bank allowing for provisional credit

Cash Management Study 2012
Prepared for:
Corporate Safe Specialists/
FireKing Security Group
Prepared by:
CSP Information Group
March 2012
Better Business Intelligence Is Needed

“While employees remain a significant source of shrink, they are less apt to steal merchandise. Instead, they are more likely to steal cash...Retailers acknowledge the need for better business intelligence to analyze results, rather than more staff to pore over report details.”

“63% of the total response pool cites “better business intelligence to analyze all our data” as a top way to overcome problematic inhibitors in battling shrink.”

Overcoming Inhibitors

<table>
<thead>
<tr>
<th>Inhibitor</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Better BI to analyze all our data</td>
<td>63%</td>
</tr>
<tr>
<td>More accurate perpetual inventory</td>
<td>40%</td>
</tr>
<tr>
<td>More creative uses of existing equipment</td>
<td>39%</td>
</tr>
<tr>
<td>A change in executive opinion</td>
<td>31%</td>
</tr>
<tr>
<td>More staff to review reports and pictures</td>
<td>27%</td>
</tr>
<tr>
<td>More information sharing between retailers</td>
<td>23%</td>
</tr>
<tr>
<td>Need to hear more concrete success stories</td>
<td>23%</td>
</tr>
</tbody>
</table>
Cash Ecosystem – The Scope of Today's Discussion
Cash Management – Within A Retail Location

Activities
- Start shift with balanced till
- Conduct retail transactions
- Maintain till balances
- Close shift/till

Activities
- Transfer cash to/from POS & safe to maintain till balances
- End of shift deposits

Activities
- Secure change fund
- Secure cash between deposits
- Maintain accurate cash balance

Issues
- Lack of visibility of cash levels
- Incorrect level of change fund
- Time spent counting & recording money
- Inaccurate deposits and time spent reconciling discrepancies
- Internal theft (Cash Shrinkage)
- Cash Exposure - Robberies/Burglaries
- Counterfeit Currency
- Employee safety
Cash Management – Between Each Retail location and Their Bank

**Activities**
- Preparing and making deposit of funds to Bank
- Managing change levels/orders

**Issues**
- High outstanding cash receipts
- Limited or no visibility/control of working capital & cash flow
- Time spent reconciling discrepancies
- Scheduling/frequency of deposits
- Inaccurate Deposits
- Time spent preparing and making deposits
- Employee safety
- Cash Exposure – robbery
Cash Management – Across Your Enterprise

**Activities**
- Cash forecasting
- Development and monitoring of defined cash management process
- Training of staff on procedures
- Investigation of discrepancies
- Investigation of shrinkage/robberies/burglaries
- Employee safety
- Customer satisfaction

**Issues**
- Inconsistent discrepancy resolution process
- Inconsistent fees & reporting between banking partners
- Inconsistent revenue recognition
- Lack of visibility to cash levels at each retail location
- Lack of timely information to move from reactive to proactive posture in addressing cash handling behavior within retail locations
- Time spent responding to multiple investigations
Evolution of Cash Management – Initial Focus Within The Four Walls of Retail

**Egyptian Tumbler Lock**
- 4000 years ago

**Bramah Challenge Lock**
- 1790
- Challenge stood until 1851

**Traditional Safe**
+ Heavy, bolted to floor
+ Contents secure
+ Unique user access
+ Drop drawers and separate compartments to limit access
+ Safer work environment
- No remote visibility and manual record of contents
Evolution of Cash Management – Smart Safes Provided Initial Visibility Across Locations

Smart Safe – Gen 1
+ All Traditional Safe benefits
+ Bill validators & coin dispensing
  + Automatic counts reducing discrepancies
  + Keep safe door closed reducing shrinkage
+ Transaction History
  + Supports accountability audits
+ Network connectivity
  + Remote visibility of safe
+ Enables daily provisional credit

- All data resides on the safe hard drive
- Limited “Canned” Reporting
- Need to ‘pull’ individual data from each safe
- Difficult to customize applications
- Configuration at safe level
- Updates & troubleshooting often requires site visit
iCloud does more than store your content—it lets you access your music, photos, calendars, contacts, documents, and more, from whatever device you’re on. And it’s built into every new iOS device and every new Mac.

Learn more →
Evolution of Cash Management – The Cloud Enables System-Wide Optimization

Smart Safe – Gen 2
+ All Smart Safe Gen 1
+ Plug-n-play implementations and modular hot-swap service design
+ Remote configuration & system updates
+ Real-time systems monitoring & alert capability
+ Real time ‘push’ of transaction data from all locations to the cloud
+ Immediate visibility of cash positions in all safes
+ Web-based reporting & remote management
+ Reactive to proactive posture in optimizing cash handling activities
+ Operational BI customizable by role for process optimization
BI From a Cloud Hosted Platform

Executive User: Enterprise Level Dashboard, Treasury Reporting

Management User: Store / District Level Dashboard, Audits, Deposit and Sales Reporting, Loss Prevention, Training & Utilization Reports

Operational User: Daily Deposit Information, User Reports, Point of Sale Reconciliation.

Business Intelligence (“BI”):
The ability to produce information for an end user about their activities, allowing them to make business decisions based on current AND historical information. The users define the Format, Content and Schedule of the data they require to make timely and informed decisions.
Benefits From Optimized Cash Management

**TREASURY/FINANCE**
- Bank Fees per store per month
- Bank Reconciliation - FTE savings

**OPERATIONS**
- Annualized system labor cost savings from improved cash handling processes (Reduced labor associated with setting up drawers, end of shift close outs, cash pulls, preparing deposits, drawer audits, managing safe change fund and resolving discrepancies)
- Annualized cost of forms and supplies system-wide

**LOSS PREVENTION:**
- Reduction in cash shrinkage system-wide
- Reduction in investigation expenses
- Reduction in funds lost from robberies

**HUMAN RESOURCES:**
- Reduction in turnover cost for deposit discrepancies and cash violations - manager and cashiers
- Workers Comp claims for injuries sustained during robberies

**LEGAL:**
- Legal costs related to employees injured during robberies
Thank You!