

A CASSIDA CASE STUDY

Major Department Store Chain Soothes Cash-Counting Blues



 **Cassida** **PRO**
SERIES
Split Recycler

PROBLEM

A fact of life for any business, especially brick-and-mortar chain retail stores, is the importance of running a tight ship. Throughout North America, every retail chain and independent store must weigh constant sales revenue generation against closely monitoring necessary operating efficiency.

“There is the issue of cash management at the store level, where the money gets counted down to the last penny.”



UNTIL RECENTLY *Banknotes Were Processed in 1-of-3 Ways*

In addition to payroll and benefits, inventory purchasing, facility leasing, security, insurance and so many other capital outlays, there is the issue of cash management at the store level, where the money gets counted down to the last penny before the store doors open every day.



Counting cash manually by hand– the slowest, most antiquated and labor-intensive method possible– is largely considered obsolete



Manual cash scales have been widely used for many years but are now fast-becoming obsolete due to their slow speed and inconsistent accuracy when counting



Back Office Recyclers (BOR)– while fully automated with every feature a retailer would need– are expensive, bulky and require constant maintenance

For major department store chains like Macy's, Nordstrom and Bloomingdale's, for instance, they can afford to spend hundreds of thousands of dollars on the latest and greatest technology to handle the daily tasks of cash and coin processing.

The widening gap between the old manual methods, the expensive BOR solution and the newer, limited function money-counting machines prompted the discount retail store chains to seek a more efficient way to deal with the vital issue.

One popular discount retailer with 2,000 nationwide locations and 10,000 employees went to the industry's largest trade show, the National Retail Federation, to look for solutions and met a representative from Cassida Pro, a San Diego-based manufacturer and marketer of a wide variety of both standard and customized cash counters for banks, government, casinos, and retail applications.



..... Interchangeable use of cash bags or cash bins for versatility

SOLUTION

Meeting several times during the show, Matthew Holt, Cassida Pro's director of North American partnerships and operations, learned that the retail chain was using the antiquated cash processing methods without standardization across all stores. "They were stuck with scales," he said.

“They Were Stuck with Scales.

— Matthew Holt —

Cassida Pro | Director of North American Partnerships & Operations

According to Holt, the discount department store could not justify the \$100,000 to \$150,000 investment for a Back Office Recycler in each of its 2,000 stores. Nor could it facilitate the physical space and associated installation

costs needed or the additional concerns about employee training and acceptance, networking compatibility, maintenance costs and overall return on investment (ROI).

“Employees *WERE SPENDING* an average of three hours before the stores opened *EACH DAY* in the cash room, a *MAJOR DRAIN* on payroll.”

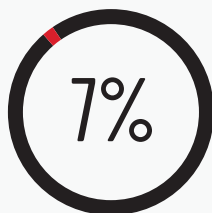
Holt also learned that the retailer was experiencing an average 100 percent employee turnover rate each year in its cash rooms which are normally manned by about five people at every location. In addition, employees were spending an average of three hours before the stores opened each day in the cash room, a major drain on payroll. The stores cannot open until all the counting is completed.

“The cost of the BOR is astronomical,” the chain’s representative complained. “It would mean competing with our ability to purchase inventory. I would rather use that capital to buy inventory.”

THE SPLIT RECYLER OFFERS



Cassida Pro’s Split Recycler Contains 80% of the Features of a Back Office Recycler



Cassida Pro’s Split Recycler is Only 7% the Cost a Back Office Recycler



Accurately & Intuitively Saves Time
Improving Your Bottomline

After listening to the explanation of the store’s executives regarding their cash-processing situation, Holt was invited to observe the chain’s problems first-hand, and to show how Cassida Pro’s new Split Recycler system could solve them all.

The retailer’s interest peaked when Holt explained the Cassida Pro Split Recycler offers 80 percent of the features contained in a Back Office Recycler at only seven percent of its cost – which is around \$7,000 compared to approximately \$150,000. Its modular configuration allows the retailer to purchase only the features it needs most – standardization, counterfeit detection, accurate counts, time-savings, intuitive touchscreen software and more.

“The improvements brought on by Cassida’s solution were welcomed by the employees and management alike.



When the retailer asked Holt, “can you help us?” and the answer was “absolutely!”, the wheels were set in motion for a 25-store year-long trial of the Cassida Pro Split Recycler customized entirely to the chain’s requirements.

It was immediately apparent that the improvements brought on by Cassida’s solution were welcomed by the employees and management alike. According to Holt, employees quickly adapted to the on-screen step-driven instructions. Minimal if any training was necessary. The entire process was intuitive and user-friendly.

One of the features they liked was the setup questionnaire which prompted them to reveal certain regional terms – for example, “what do you call the register – a register, till or a drawer?”

“Initially, as the equipment was installed and we began instructing employees and store managers on how to use Cassida Pro’s new product, we were receiving more than 80 emails and calls daily with questions and concerns,” according to Chandler Portier, project manager with Pivotal Retail Group (PRG), a consulting firm specializing in retail store development support.

“That number began dwindling and by the end of a three week period, the emails turned into testimonials – ‘I understand it now. It is so much easier to use than before,’ and ‘it is really a great machine!’”

ROI & BEYOND

Cassida and PRG also heard the praises for the Split Recycler from the discount retail chain’s management at all levels. The fact that the overall cost of the system became affordable, and the cash-counting task was being reduced from more than three hours each day, on average, to less than an hour revealed immediate ROI. In addition, the benefits of the new system were dynamic for many other reasons, like:

- Automatic change orders
- Automatic deposit pickup
- Data-driven cash forecasting
- Easy corporate visibility of cash operations
- Increased accuracy
- Reduced cash shrinkage
- Remote monitoring & full cash transparency
- Empowering the retail chain to process 10 million notes and five million coins each day

Holt said another factor that sealed the deal for Cassida Pro was the system's maintenance package. To eliminate downtime and on-site maintenance costs, Cassida Pro's depot service quickly swaps out the module needing replacement as soon as the next day.

Finally, he said the purchasing decision maker also considered the cost factors associated with the reality of eventual store relocations or closures. Unlike Costco or Walmart, for instance, where Back Office Recyclers are housed in specially-built cash rooms and vault enclosures, his customer has stores in as-is leased retail space.

"Those BORs are huge machines, weighing in excess of 2,000 pounds," he added. "In many cases that prevents them from being used in upstairs offices where the load rating is not sufficient. That means if a store relocates, project managers must get involved in the costly process of removing then delivering and installing the equipment in a controlled environment and ensuring its security."

Following the successful 25-store trial, the retailer said that because of the quick return on investment they experienced with the Cassida Pro Split Recycler they would like to immediately rollout this cash room solution to all of the chain's 2,000 stores.

Said Michael Bodine, manager of business development for Cassida: "As the installations continued across the country, they became significantly easier and quicker because of the new procedures we had put in place to facilitate the process that included training. Now we see the stores talking to each other and employees getting excited about the machines and their use."

The Cassida Pro Split Recycler bridged the gap between a fully automated BOR and this retailer's previous manual cash room operation. It standardized their cash room process, saved time employees spent on cash handling, provided full cash cycle transparency and generated a true ROI for the retail chain.

*All persons and locations depicted are not of the retailer to protect its anonymity.

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The logo features the word "Cassida" in a bold, black, sans-serif font. To its right, the words "PRO SERIES" are stacked vertically in a smaller, white, sans-serif font, enclosed within a black rectangular box. Below this box, the words "Split Recycler" are written in a red, italicized, sans-serif font.