



# On the path to cash cassettes

**Cash cassettes in ATMs are drawing greater attention these days as banks move to increase the security of their cash-handling processes. In fact, their growing importance has led to a new service: cassette maintenance tracking (CMT).**

In the past, banks typically ordered ATMs, installed them and took responsibility for servicing them. Much of this has changed today, with banks increasingly outsourcing cash-handling services. More and more cash logistics companies, for instance, are collecting cassettes, replenishing them in their own cash centers and putting them back into the cash cycle.

## Periodic maintenance

While banks can benefit from transferring non-core business processes to third-parties, the move brings changes. One factor is the number of cassettes that banks need to have. If, in the past, each ATM required a set number of cassettes, the numbers of cassettes today have increased significantly because of their use in the cash cycle. At the same time, cash logistics companies need to ensure that

specially configured components find their way to the right customers. Maintenance is another aspect, which should not be overlooked.

In Sweden, where banks are required by law to equip their cash cassettes with ink-staining systems for security reasons, all equipment is subject to a regular inspection and must be replaced if defects are detected. But that is not the only challenge facing banks in the country. To maintain the high level of security required by Swedish law, they also need to replace components, such as ink and batteries, on a regular basis. Since all cassettes require maintenance at predefined but different times during the year, banks must keep track of thousands of them. Moreover, if they don't want to close down their ATMs during the maintenance period, they need to replenish them with temporary cassettes.

These can be a significant cost for a single bank to carry. Additional challenges are linked to questions such as: How many cassettes are in operation right now? Where are they located? Which are covered by warranty? Does the bank have control over its investment? And how to keep track of the inventory for accounting purposes when a unit is scrapped?

What bank can manage all of this? In Sweden, Wincor Nixdorf has delivered the answer: Together with its strategic partner Loomis, the IT solutions company provides numerous customers in the country with its tried and tested Cassette Maintenance Tracking (CMT) service.

## Collaboration with Loomis

In 2006, Zoran Arsovski, engagement manager at Wincor Nixdorf Sweden, analyzed the handling process for cash cassettes with ink-staining systems and came up with an innovative idea – manage all cassettes by a standardized periodic maintenance and repair process. Such a process, of course, required not only a higher number of cassettes and a

detailed planning of their circulation but also a system for monitoring maintenance intervals, such as replacing batteries and ink-staining systems.

To get a handle on these challenges, Wincor Nixdorf cooperated with Loomis to develop and test a solution, which later became the basis for the CMT service. As part of the service, Loomis – Sweden’s largest cash logistics company with 11 cash centers and 850 employees – takes over the transportation of cash cassettes for banks and retailers, empties and counts the cash in its cash centers and puts the cassettes back into the cash cycle or, when defect, sends them in for repair.

### Barcodes and scanners

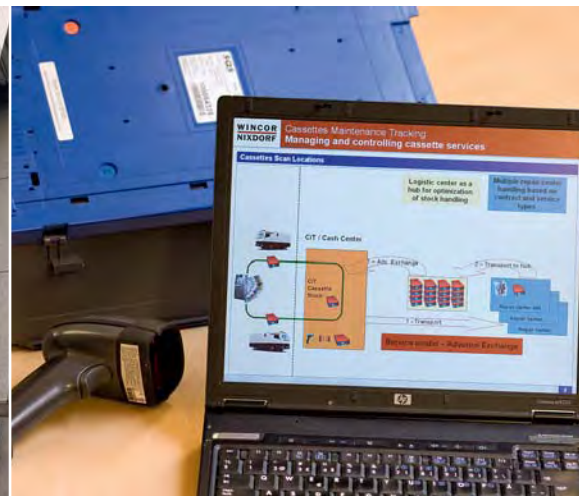
All cassettes have a barcode and most units also have an RFID tag, which is regularly scanned. If a green light blinks, no further maintenance is required. Yellow indicates that maintenance will be required shortly, and red means an immediate repair. In this case, the computer system automatically creates a service tag. A form is printed listing all necessary measures, such as repair or ink-staining system replacement. Since the Loomis Cash Center and the Wincor Nixdorf Repair Center use the same Web portal, the service tag and its status are recorded simultaneously and if the exchange of a cassette is necessary, a request is immediately forwarded to the warehouse and a replacement unit is sent out.

“This combination of control, tracking and exchange is a unique form of managed services,” Arsovski contends. And it is a highly successful service, Loomis manager Thomas Forsberg is quick to add: “There’s a huge benefit in having such a managed services process due to the many cassettes that are meanwhile in circulation.”

The monthly amount of service orders at Loomis locations alone averages about 700. Each service order, however, also creates sub-orders, for instance, for transport, exchange

or repair. Consequently, the total number of orders per month is well above 2,000. This volume could never be handled efficiently and with such a high level of quality control without the system and processes that Wincor Nixdorf and Loomis have implemented.

Banks and retailers have come to realize this as well. Meanwhile, Wincor Nixdorf has won 30 customers for the special service, including smaller savings banks with three to four ATMs to large banks with thousands of cassettes each. They use the service either directly through Wincor Nixdorf or indirectly through Loomis.



### A matter of trust

In retrospect, the cooperation with Loomis was the right move, according to Geir Hansen, responsible for quality and processes at Wincor Nixdorf. “Our service department here in Sweden is a relatively small player but growing significantly,” he says. “Together with partners like Loomis, which have an excellent reputation, we believe our existing and new customers will realize the values and quality of Wincor Nixdorf services.” This reputation also serves as the guarantee from Wincor Nixdorf to continuously control and maintain cash cassettes. It is all a matter of trust, Hansen says, and the trusted partnership pays off. CMT ensures that Sweden’s high security standards for cash cassettes are met and also that costly problems with the components seldom arise. And Loomis continues to make improvements, such as improved control over the complete process and better follow up.

“We want to achieve still more transparency over the entire process,” says Loomis manager Forsberg who is highly satisfied with the performance so far.

Customers benefit from Wincor Nixdorf’s solution by avoiding inventory and tracking problems. Furthermore, they don’t need to control every cassette’s security level since Wincor Nixdorf is doing that for them. The IT solutions provider also handles the administrative follow-up when a cassette is activated and needs to be replaced, as well as order management and cost-splitting between all involved parties.

Swedish banks appreciate that Wincor Nixdorf takes full responsibility of the cassettes, thus eliminating administrative costs generated by this process. ■

