

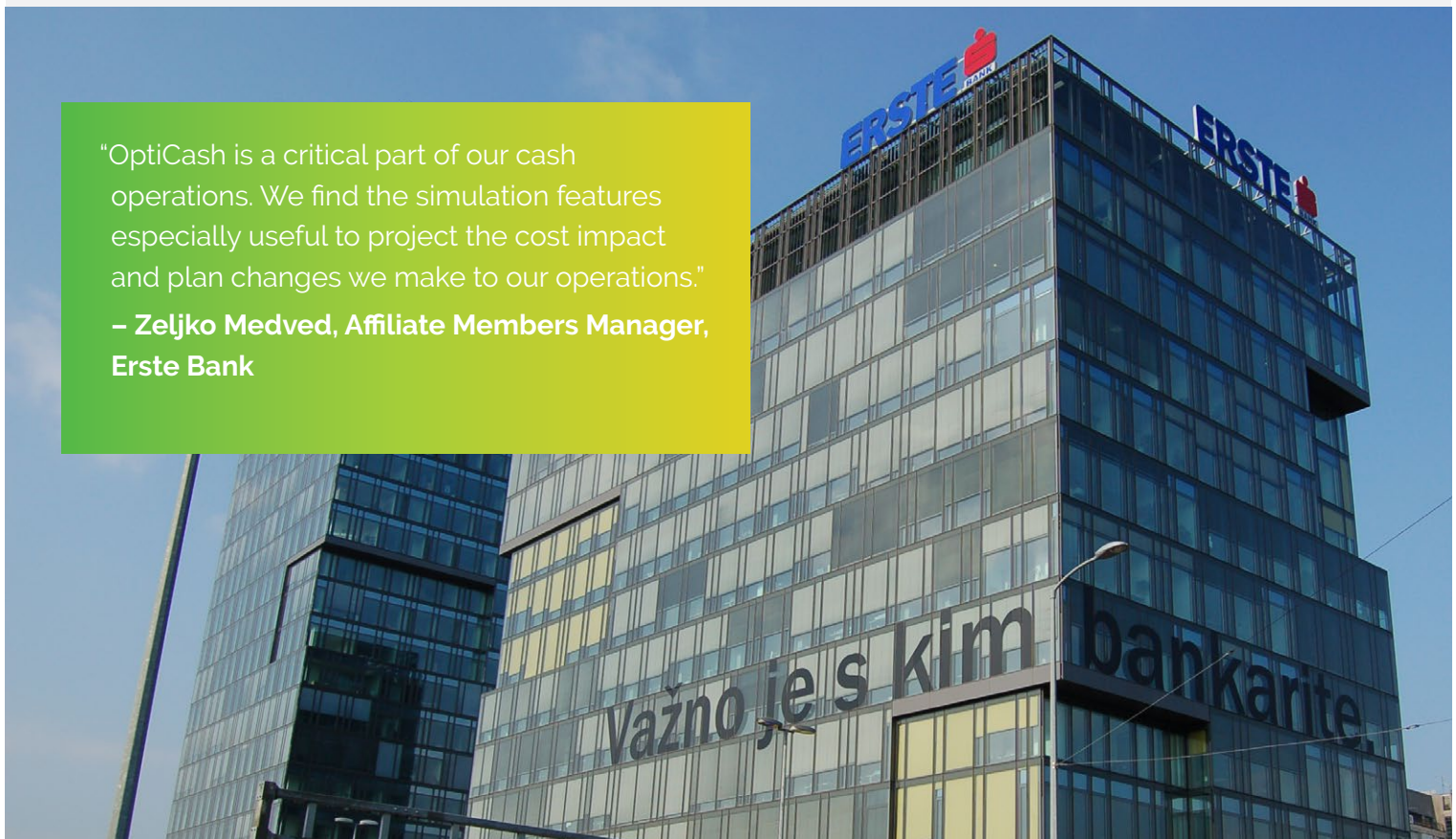
# AN NCR CASH MANAGEMENT SOLUTIONS CASE STUDY

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Erste Bank reduced the amount of cash in the network while simultaneously reducing the number of emergency cash runs and out of cash incidents.

“OptiCash is a critical part of our cash operations. We find the simulation features especially useful to project the cost impact and plan changes we make to our operations.”

– **Zeljko Medved, Affiliate Members Manager, Erste Bank**



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## KEY HIGHLIGHTS

### Industry/Market:

Retail banking

### Challenge:

Erste Bank wanted to improve customer services and the operating performance and costs of their ATM network. Overstocking ATMs and relying on high numbers of emergency cash runs to resolve cash outages was not a sustainable operating model.

### Solution:

OptiCash is a unique cash optimisation solution that forecasts individual cash requirements for each cashpoint in the network. It then generates cost optimised individual replenishment strategies for each cashpoint based on its unique cost factors, servicing constraints and capacities.

### Results:

- Cash utilisation improved dramatically with the return rate dropping from 23% to 14%.
- Emergency cash deliveries were cut by 88% and out of cash events were reduced by 86%.
- ATM availability improved 40 basis points from 98.7% to 99.1% in the first quarter. OptiCash was deployed within one month setting a new availability record performance of 99.22%.

## THE CUSTOMER

Erste Group was founded in 1819 as the first Austrian savings bank. Today Erste Group is one of the largest financial services providers in the Eastern part of EU. Erste Bank's strength in retail banking is based on traditional retail banking values, focussing on mortgages, consumer loans consumer savings products, asset management and pension products. Erste & Steierrnärkische Bank d.d., commonly referred to as Erste Bank Croatia, has a network of 133 branches which includes 13 commercial centres, 8 SME and 10 profit centres for corporate clients and operates through a network of 619 ATMs.

## THE CHALLENGE

Erste Bank Croatia's 619 ATMs are a critical part of the service they offer to their million or so retail banking customers. These ATMs handle over 13m transactions per year and over 1.3Bn Euros—more than 50% of the cash distributed through their retail banking operations. Erste Bank wanted to focus on how they could improve the operating performance and costs of their ATM network. It was clear that overstocking ATMs and relying on high numbers of emergency cash runs to resolve cash outages was not a sustainable operating model.



- 23% of the cash delivered to ATMs was returned un-dispensed to the CIT on the subsequent replenishment visit.
- Despite the high level of unused cash returned, cash outages were still a significant contributor to ATM downtime and over the year, nearly every ATM required an emergency cash run.

With significant growth in their ATM network and customer base it was apparent to Erste Bank that these costs and levels of customer service were not sustainable and a solution was required.

## THE SOLUTION

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Erste Bank worked with the NCR Cash Management team and Printec, NCR's partner in Croatia, to understand the problem and the options available to them. NCR, Printec and Erste Bank's cash operations teams analysed the cash ordering and ATM performance history. They determined that OptiCash would reduce the amount of cash in the network while reducing the number of emergency cash runs and out of cash incidents.

OptiCash is a unique cash optimisation solution that forecasts individual cash requirements for each cashpoint in the network. It then generates cost optimised individual replenishment strategies for each cashpoint based on its unique cost factors, servicing constraints and capacities.

OptiCash works flexibly with existing data within the bank's infrastructure or by interfacing directly to ATMs to gather the necessary cash data to generate forecasts and replenishment recommendations. Most importantly, every OptiCash deployment is based on a un-customised application platform with configuration parameters used to adapt it to the customer environment.

Leveraging this deployment flexibility, NCR Professional Services, Printec and the Erste Bank IT team planned and executed an implementation project deploying a pilot in two weeks. With network wide rollout in two months and full production operation in 90 days.

## THE SOLUTION BENEFITS

The benefits of OptiCash were immediately apparent with positive results in each of Erste Bank's target areas.

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Additional benefits were immediately realised through efficiencies delivered by OptiCash's process automation.

OptiCash continues to drive further savings for Erste Bank every day. It continually optimises their replenishment strategy in response to changes like additional cashpoints as their network grows and revised costs as they re-negotiate their service contracts with suppliers such as cash processors and CITs.



## THE CUSTOMER'S VIEW

"OptiCash is a critical part of our cash operations. We find the simulation features especially useful to project the cost impact and plan changes we make to our operations"

- **Zeljko Medved, (Affiliate Members Manager)**

"We were impressed with the OptiCash solution but what impressed us most was the NCR and Printec teams expertise and commitment to understand our operations and not rest until they had delivered a solution that met our needs"

- **Ljiljana Pušelj, Head of Cash Management Group (Project Manager for implementation OptiCash in Erste Bank)**

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