

# How Can Technology Feed World's Appetite for Cash?

While many experts predict the demise of cash as a form of payment, the demand for cash **keeps growing** around the world. The explanation to this could be primarily in its convenience, cash is accepted everywhere, hard to track and relatively easy to carry in the wallet for the everyday use. Banks struggle to satisfy clients' appetite for cash by processing huge volumes as fast as possible in their ATMs.

**Joachim Walser, the Managing Director and Co-Founder of Planfocus Software**, is taking a closer look at how banks can increase efficiency in the optimization of their cash supply chain both in branch and off premise.

"The trend for cash isn't going away," starts Dr. Walser. "Almost 60% of transactions are still happening in cash. Depending on individual nation the cash accelerates its position. In Euro zone for example we still notice the growth by 4% per year in cash transactions and volume. The overall sum of all the cash orders and movements that we controlled through our software in 2014 was over 150 billion Euros. I think the reasons for this steady popularity of cash could be its convenience in processing, transparency and freedom from being traced and databased."

Actually the path that money has to take in the cycle between the central banks and the cash points for the end consumer is really meandering and complex and therefore expensive to process. Basically the bank branches have two kinds of money products - smaller and larger denomination notes - that need to be pushed back to the central bank and pulled into the branch at the same time. In most cases banks have to provide cash sourced from the central bank into ATMs through the CIT (cash in transit) companies and take care of the reverse journey for this money. Moreover there is a good chunk of human and capital resources involved in the transfer and accounting for the cash. At this point the automation becomes a necessity for the economy and operational efficiency of the process. The programs developed by Planfocus Software help allocate the right amount of the right product, ensure CIT costs are kept in check and can even create shortcuts in this complicated cash route. As a result banks are empowered to recycle in the same branch rather than moving cash all the way to the central bank with all the burdens of accounting, processing, stacking, storing and packaging.

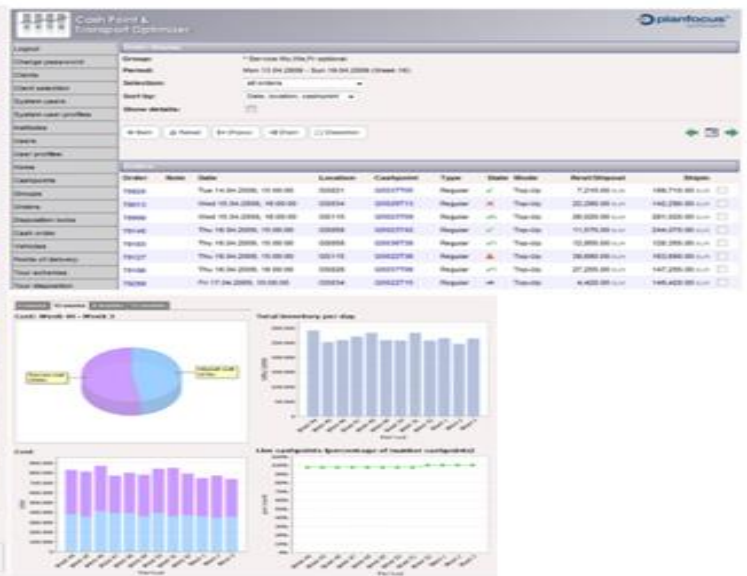
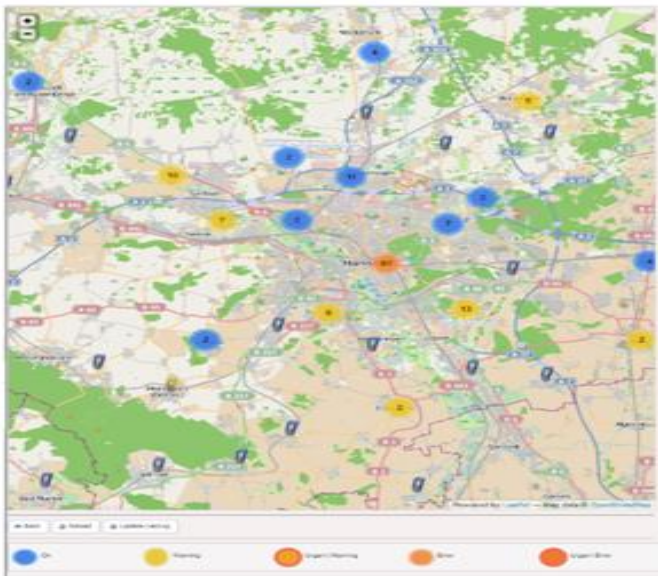


**DR. JOACHIM WALSER**  
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“Cash handling costs banks a lot, and commercial banks need to cover the costs from earnings in other areas” continues Dr. Walser. “So you can consider that our solution for a midsize bank with 1.000 ATMs saves in between at least 600.000 to 1.2 million USD for that bank every year. The crucial benefit that we bring to the banks is saving costs in the cash supply chain through complex planning, forecasting and optimization techniques in a simple and very user friendly solution.”

Indeed, Planfocus Software’s solutions equip banks, data centres, ATM service providers and CIT companies with a rich function set in a relatively simplified user interface. Numerous operations like monitoring of cash points, ordering and execution, packaging, delivery and transportation in multiple cash points become easily manageable in the centralized software and special mobile device. With these tools in hand banks can improve visibility and transparency on how much money they are spending on cash and how to reduce those expenses.



“I think the real beauty of cash supply chain software is the automation and improved visibility. Our solution gives concrete information on the entire cycle of cash management. Through this centralized view banks can work on 2000 ATMs in less than 2 hours. Moreover, the central control of cash management workflow between the branches and cash agents significantly boosts the bank’s performance and customer satisfaction.

Banks can track the network of cash on the map, look into the statistics, and correlate the costs, resources and availability. The automated planning and forecasting techniques add transparency and enhance the efficiency on the frontier of investment as well as human resource management for the banks,” concludes Dr. Walser.