

A Triple Winner

One of the most expensive factors in cash handling is the cost of cash-in-transit (CIT) services: banks pay CIT companies to replenish their ATMs, and retailers pay them to collect their cash takings. There has to be a better way, thought BBVA Bancomer in Mexico, and the bank's search for a solution led it to Diebold Nixdorf's cash recyclers.



It all began with a single consideration. "The use of CIT services in the cash handling process is very cost-intensive, and we were looking for a way to reduce that expense for ourselves and our business customers," says Carlos López-Moctezuma, who is responsible at BBVA Bancomer for Easy Banking and Government Affairs in his capacity as Global Director of Financial Inclusion. The answer was the use of cash recycling systems. They enable the bank's retail customers to deposit their daily cash easily and securely and the bank can do without most of the cash replenishment services required for a standard ATM. "In 80 percent of these cases, both sides can profit from this solution," says a convinced López-Moctezuma.

With more than 10,000 ATMs, BBVA Bancomer offers its customers the largest ATM network in the country.

THE LARGEST BANK IN MEXICO

BBVA Bancomer believed the solution would have another effect, too — that of enabling the bank to expand its ATM network more strongly in locations where it is either underrepresented or not present at all. This is a goal the bank has had for some time.

As the largest financial institution in Mexico, BBVA Bancomer has a network of more than 10,000 ATMs (the number two competitor has barely 7,000), and 2,500 of them are already installed at locations outside the bank — at service stations, convenience stores, and elsewhere.

A TREND WORTH PURSUING

The Bank intends to continue this trend and therefore launched a pilot project in September 2014 to reduce cash handling costs with recycling systems in a pharmaceutical chain. Four devices from two manufacturers, certified in advance in the bank's laboratories, were launched. The most difficult part of the pilot project was "harmonizing the volumes of deposits and cash withdrawals at the machines," says López-Moctezuma. He also notes that the pharmacies involved in the pilot had to change their processes, too. Before the pilot, their daily cash was counted and packed into safebags for collection by CIT companies, and now, daily cash of more than \$300 were deposited in the recyclers right away.

100 RECYCLERS FROM DIEBOLD NIXDORF

Naturally, the bank also piloted the systems of its long-term IT partner Diebold Nixdorf. For eight years now, the company has been working very closely with BBVA Bancomer and 4,000 of the bank's 10,000 self-service systems wear the Diebold Nixdorf logo. This collaboration was no different. In February 2015, BBVA Bancomer concluded the successful pilot project with the decision to roll out the project further. In a first step, 100 multifunctional CS4060 cash recycling systems from Diebold Nixdorf will be installed across the country, flanked by a 36-month service maintenance agreement to ensure their availability. The systems will be set up at large supermarkets and at the locations of other business customers of the bank as well as at the pharmacies in the chain. The bank's goal is to use cash recycling to scale back the use of CIT services as much as possible and thus reduce not just costs, but also the security risks associated with cash replenishment and collection. The bank still needs to clarify the issue of who will be responsible for minor disruptions such as note jams.



Carlos López-Moctezuma
Global Director of Financial Inclusion at BBVA Bancomer

A WIN-WIN-WIN SITUATION

After a problem or two during solution start-up, López-Moctezuma expects the equipment to continue to perform well. The bank plans to expand its network of ATMs at offpremise locations at the rate of five to ten machines per month, extending its self-service infrastructure to locations where the bank has not been represented to date. With this step, BBVA will also reach more consumers in addition to achieving simple, convenient and cost-effective cash handling. Or, as López-Moctezuma puts it: "It's a win-win-win situation for the banks, the retailers and consumers alike."