



Increase Productivity and Convenience at Your Teller Line



Navigation

Introduction	3
Why are more and more financial institutions adopting teller cash automation?	4
What will the role of cash be in the future?	4
What will the role of branches be in the future?	5
What impact will the need for optimizing operational efficiency have?	5
What are the main benefits of teller cash automation?	6
Improve the experience for both consumers and staff.....	6
Increase operational efficiency and accuracy	6
Focus on relationship building to improve sales opportunities	7
Improve security and reduce the likelihood of fraud	7
How do you get the most out of your teller cash automation solution?	8
What's next?	12





Introduction

Financial institutions (FIs) are facing several challenges today: How can branch staff build meaningful relationships with customers when they are encumbered by time-consuming, manual, low-value transactions? How can branch security improve? How can branches run more efficiently amid rising costs of labor? How can the branch remain attractive to customers?

Amid increasing staff turnover for teller positions, many branches are shifting away from traditional tellers and toward a universal banker model. This shift makes branches more efficient and attractive to prospective employees. Universal bankers help provide a frictionless consumer journey. They support customers from start to finish, managing transactions, opening new accounts, assisting with loan applications, and resolving issues. The switch adds sales goals to staff responsibilities, so employees need to focus on developing relationships and cross or up-sell products, rather than on cash handling.

By automating cash transactions at the teller line, FIs can achieve all of the above: increase staff productivity, give them more time for value-generating activities, ensure their branch model meets customer requirements and increase security. But what specific benefits does it offer and how will teller automation evolve in the coming years? Let's explore the answers to these questions.

Why are more and more financial institutions adopting teller cash automation?

There are actually a few factors we need to keep in mind: The importance of cash, the role of branches, and the pressure to optimize operational efficiency.

What will the role of cash be in the future?

Let's break this question down into two smaller ones:



What is the demand for cash? Despite the growing popularity of digital transactions, cash is still very much alive. Over the past 20 years, the volume of US banknotes in circulation¹ has steadily increased year over year. In the ten years from 2012 to 2022, we saw a 64% increase to 54.1 billion banknotes in circulation, making it quite clear that there is still a high demand for cash. So, banks need to continue to provide access to cash. The branch and the ATM are the only two channels that can offer this service.



How and where is cash in use, and who is using it? We saw that the share of cash as a means of payment rebounded slightly in 2021 after the worst of the pandemic and has been relatively stable since, especially when you look at small-value purchases where it is still the key payment method. Cash use also varies by age and income: lower-income and older age segments generally have a higher dependency on cash².

¹ https://www.federalreserve.gov/paymentsystems/coin_data.htm.

² 2022 Diary of Consumer Payment Choice; CPO Federal Reserve System; NielsenIQ International Retail Banking Survey 2021, Internal DIN Benchmark data 2023

What will the role of branches be in the future?

Branches have been moving away from cash handling and more towards higher value-added transactions like advisory or consultancy services:



From 2012 to 2022, the average hourly pay rates have increased consistently. This is in part an effect of branches moving to the Universal Banker model and hiring staff to handle more complex transactions and consultancy tasks³. Consequently, the labor costs per transaction have also increased over these 10 years.



Consumers of all age groups still have a strong preference for visiting a branch when they require advice on how to handle their finances. We also see that despite a strong migration to digital channels, there is still a high portion of consumers who prefer to utilize the branch for cash transactions⁴.

So, access to cash will remain important for meeting customer expectations and maintaining inclusiveness for certain segments.

What impact will the need for optimizing operational efficiency have?

We have seen that cash remains important and that consumers still desire the option of conducting their cash transactions in the branch. Indeed, despite a strong migration to digital channels, there is still a high portion of consumers who prefer to utilize the branch for conducting their cash transactions. However, we have also seen that the cost per transaction at the teller has risen. Considering the ongoing pressure for improved operational efficiency in the financial services sector, financial institutions need to look at ways to reduce costs and/or increase revenue opportunities.

This environment is driving the adoption of teller automation. Let's have a closer look at the concrete benefits teller automation can bring.

³ 2022 UKG Teller Line Study (credit unions and community banks).

⁴ 2024 International Self-Service Banking Consumer Survey, YouGov commissioned by Diebold Nixdorf.



What are the main benefits of teller cash automation?

The challenges that make teller cash automation necessary are clear: fulfilling customer expectations while keeping expenses to a minimum. But there is more to this technology. Let's deep dive into the benefits that can be realized.



Improve the experience for both consumers and staff.

Teller automation solutions automate cash transactions. When tellers leave the cash handling up to the machine, transactions at the teller can be delivered faster and smoother. This results in improved customer service, reduced wait times and less stress on tellers. Additionally, the shift to storing cash in an automated device with its own safe also allows a more modern open-branch concept, which makes the branch more attractive to visitors.



Increase operational efficiency and accuracy.

A teller using automated cash handling can generate as much as a 1.5 x increase in throughput with much better accuracy. This reduces balancing issues at the end of the day and time spent on vault activities.

Let's look at an example including standard activities at a branch before and after the teller line is automated. Imagine a bank with:

- 100 branches,
- each of which has two traditional teller lines
- and 200 customer interactions per day.

In this theoretical network, the time employees spend on the four standard activities can be reduced considerably:

	START OF DAY	TELLER SHIFT	LARGE WITHDRAWALS & DEPOSITS	VAULT SELL AND BUY	END OF DAY
TODAY (per branch per day)	3 HRS	2 HRS	2 HRS	2 HRS	3 HRS
TOMORROW (per branch per day)	1 HR	20 MIN	24 MIN	30 MIN	1 HR
REDUCTION (per branch per day)	2 HRS	1.6 HRS	1.6 HRS	1.5 HRS	2 HRS
	TOTAL TIME 8.7 HRS				
(per year for the whole network)	174,000 HOURS PER YEAR				



Focus on relationship building to improve sales opportunities.

With digital transactions on the rise, the chance for in-person interaction is decreasing. So, when customers do come to the branch, staff can focus on developing relationships and cross- or up-selling products instead of cash handling. Direct contact with consumers increases the likelihood of upselling considerably as many still like to buy from people. This is also driven by branches switching to a universal banker model: 59% of branches have already implemented this switch with another 17% likely to do so soon⁵. Without cash automation employees spend too much time on cash handling to successfully fulfill their sales goals as universal bankers. Consequently, the automation of cash handling is a prerequisite for a successful switch to the universal banker model.

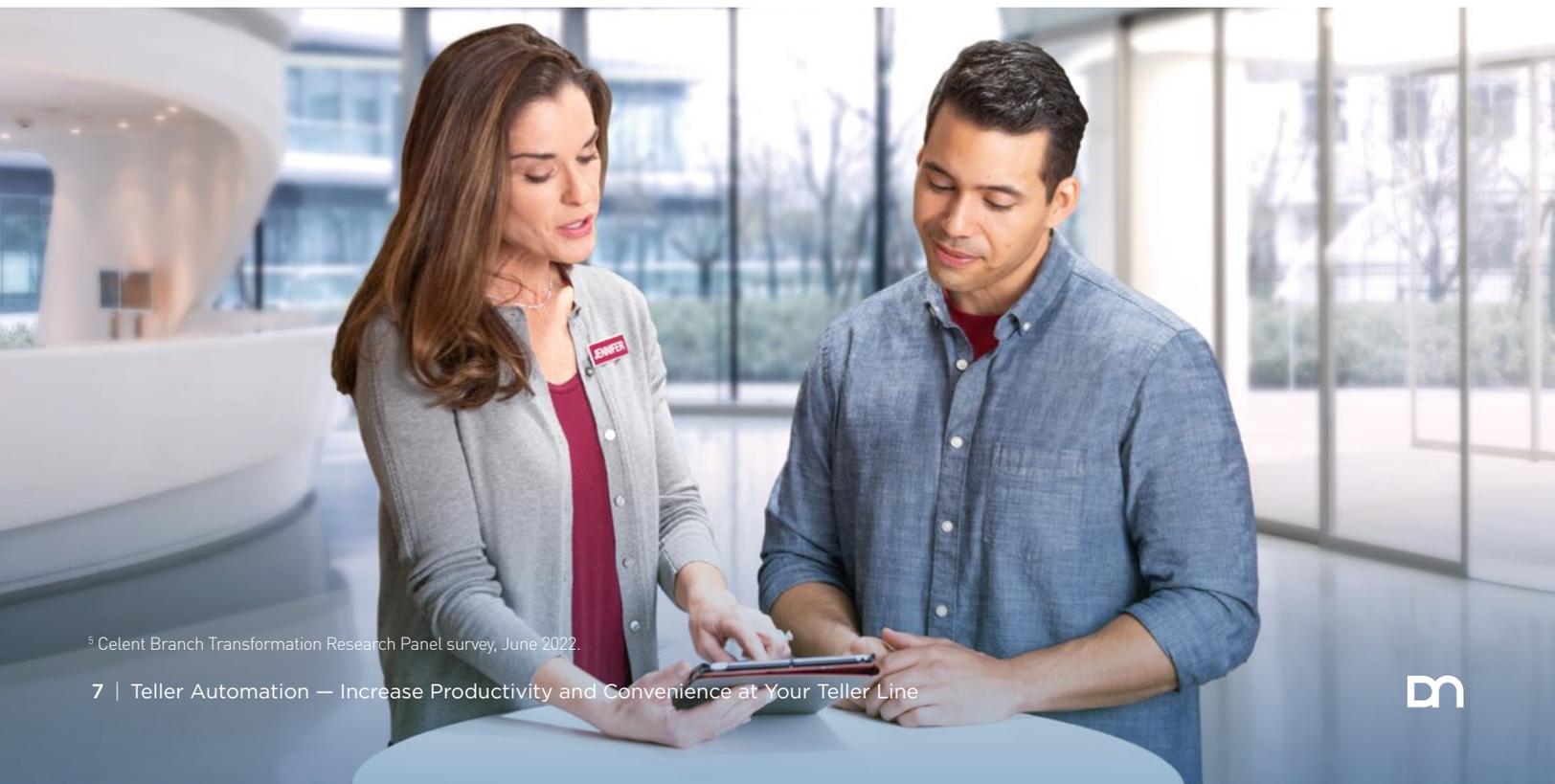


Improve security and reduce the likelihood of fraud.

When cash is not yet automated in a branch, it is often stored in cash drawers at the counter. Cash securely stored in teller automation devices helps prevent robberies and internal theft and makes it less likely to accept counterfeit notes. When cash is stored in an automated device at the teller, security can be greatly improved.

On the one hand, the physical security of the cash, staff and customers will be improved because the money is stored in a safe and not in an open drawer, reducing the incentive for robberies. We've heard from several customers that robbery attempts greatly decreased after the deployment of TCR devices. And if a robbery takes place, it is possible to have a preset amount in the device that is given out, to deescalate the situation and protect staff and consumers.

On the other hand, modern automated teller devices should also recognize and track the number and denomination of each note that is deposited into the device. They can recognize the security features of the bills and determine the authenticity of each individual note with high accuracy. As a result, a TCR is by far less likely to accept a counterfeit and reduces internal fraud thanks to its detailed journaling capabilities.



⁵ Celent Branch Transformation Research Panel survey, June 2022.

How do you get the most out of your teller cash automation solution?

So, the benefits of teller automation are considerable. But how do you get the most out of your teller automation solution? You have to view it end-to-end!

Right strategy, right execution

There are many factors to consider when implementing teller automation. These include analyzing where a solution will make sense, deciding how many devices will be needed, creating a deployment plan, and determining the implementation strategy. And of course, you want the implementation to be as quick as possible while remaining cost-efficient. This can be a challenge to handle in-house if you don't have the resources or proper expertise required.

WHY DN?

DN's Advisory Services will help you create a multi-year roadmap to increase channel effectiveness that prioritizes four areas for improvement:

- ROI Analysis
- Branch Design
- Branch & TCR Optimization
- Technology Deployment Strategy





The right solutions for your branch

The teller automation device and terminal software you choose to install is the foundation for your solution. It should offer several features to ensure everything runs smoothly and provides the best possible experience for your staff and customers. Which solution exactly depends on your specific strategy, but consider, for example: How many tellers should be able to share a device? What kind of safe do you need? How many notes can be stored? How reliable is the technology your TCR is running on? How complex is the integration into your processes?

WHY DN?

DN Series® 600V

- reliable, note-handling and authentication
- high-capacity cassettes based on industry-leading RM4V
- most compact and innovative teller automation device on the market.
- 25+ years of experience in cash recycling technology

VCP-Branch Terminal Software

- enriched, assisted service experience
- plug-and-play operations
- user-friendly business-oriented interface
- protections and security mechanisms
- simplifies balancing steps and speeds up overall processes

Always up and running fleet

Once your solution has been implemented, you want it to run smoothly with as little interruption as possible. Thankfully, this can be achieved with a data-driven service model with real-time monitoring and preventive maintenance. By combining these factors in your solution, you can reach availability of 99% and higher.

WHY DN?

DN Implementation & Maintenance Services

- Take advantage of Implementation Services including staging, logistics, install, move, add, change, replace and dispose services
- Resolve TCR incidents through remote resolution or on-site technician visits powered by DN AllConnect Data Engine

DN Monitoring & Event Management/ Integrated Service Desk

- Reach 99%+ device availability
- Benefit from state-of-the-art automation and a team of experts



Always on security and compliance

Cash handling solutions must be secure and compliant at all times. By applying a multi-layered approach, you can ensure the highest possible security standards for your devices. Consider, for example, automated software deployment and anti-malware, as well as a managed firewall, USB or external device control and real time attack detection. Additional security measures may make sense depending on the individual threat level of your branches and individual devices.

WHY DN?

DN Security Management & Software Deployment Services

- Protect your TCR channel—eliminating data and cyber security threats.
- Optimize software lifecycle management.

Future-ready now with a closed cash ecosystem

Advancements in cash automation offer efficiency gains today and further potential cost savings tomorrow. Cassette-based teller cash recyclers (TCRs) streamline cash processes and provide interoperability with other branch devices. With a common technology platform, in-branch automation is possible through cassette swapping between ATMs and TCRs. This closed-loop (or single) cash system allows you to move money from cash-positive cash points in a branch to cash-negative cash points, resulting in a more efficient end-to-end note storage solution.

WHY DN?

In-branch cash recycling with DN Series

- ATMs and TCR are based on the same RM4V cash recycling technology – including the cassettes
- Cassettes can be shared from one device to the other - for example switch a full cassette for an empty one

An end-to-end solution from a single provider gives you access to a number of additional benefits.

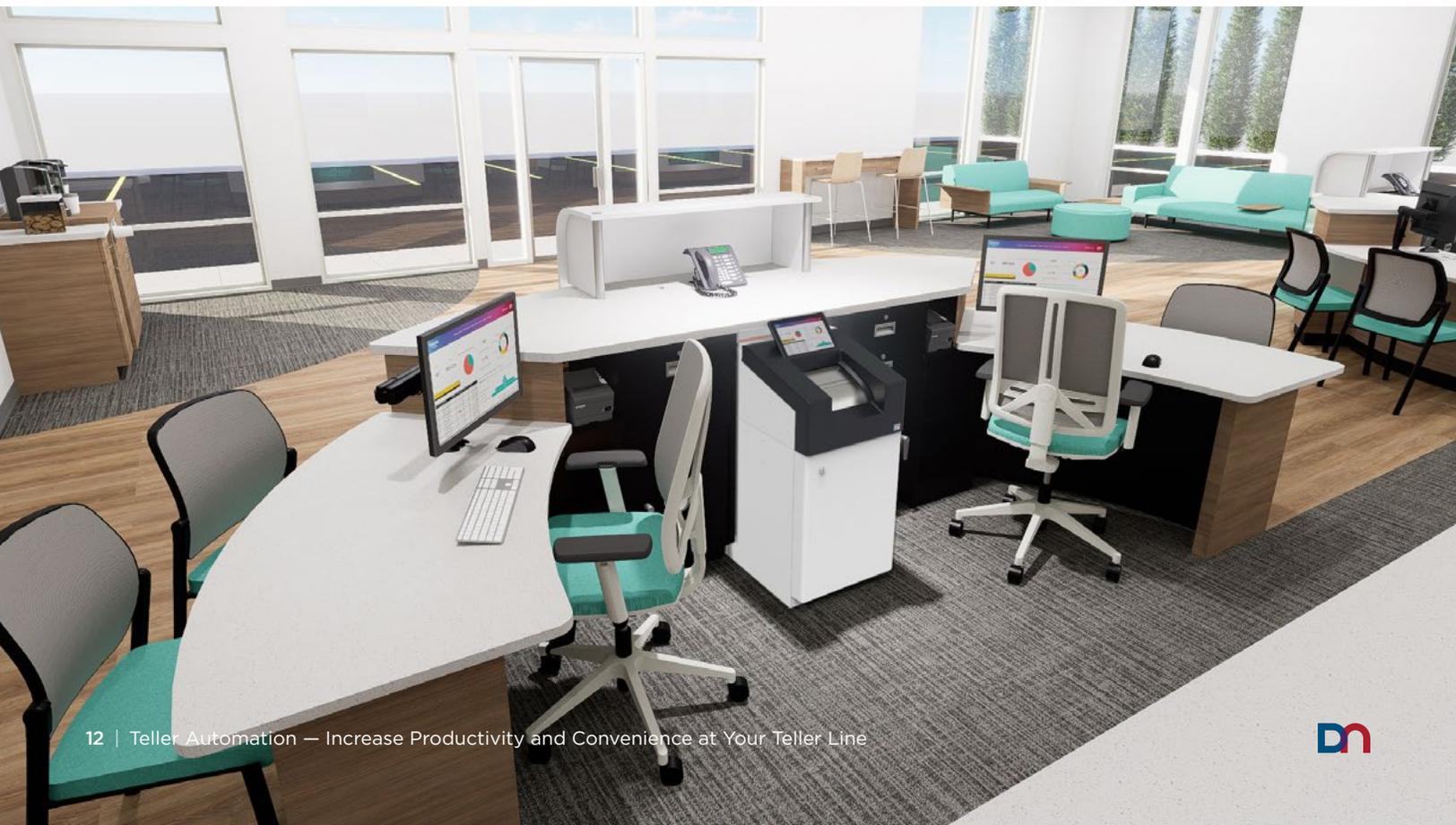
- The same technology and components in your ATMs and TCRs
- A single cash management solution to optimize both channels
- The same services at both channels
- Unlocking the potential for more efficiency and higher returns on your

What's Next?

Teller automation fulfills consumer expectations of how they want to interact with their financial services provider while improving FIs operational efficiency. TCRs reduce time-consuming and resource intensive activities, assist with staffing level challenges, and help to minimize and eliminate fraud and exposed cash in the branch. But to get the highest possible return out of your investment in this technology it is imperative that you take an end-to-end view of your solution: From the business case to the implementation to running and maintaining the device.

With our new Teller Cash Recycler Premium Package, Diebold Nixdorf is bringing to market an all-inclusive offering covering devices, software, and operations. It is your fully integrated and cost-efficient solution to realize the full benefits of teller automation across your branch network. Our end-to-end expertise ensures your TCR fleet meets the needs of your customers and branch employees, freeing your operations teams from the complexity of managing a teller cash fleet across all your locations.

Contact your Diebold Nixdorf representative now!





Diebold Nixdorf