Soaring to New Heights in Treasury Efficiency

*How Delta Air Lines Consolidated Banking Relationships and Maximized Working Capital*

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Treasury Nightmare

- Multiple Banks
- Late Deposits
- Multiple Couriers
- Reconciliation Delays
Presentation Overview

- Delta’s Collection Challenge
- Seeking a Unique Solution
- The Importance of Partnership
- Tangible Treasury Success
Delta’s Collection Challenge
Delta from 40,000 Feet

- 160 million customers each year
- 341 destinations in 61 countries on 6 continents, 13,000+ flights per day
- Headquartered in Atlanta, more than 80,000 employees worldwide
- Fleet of more than 700 aircraft
How we Operated

- 400+ stations (passenger & cargo) in the US
- 30 different banks for domestic station deposits
- Not all banks sent daily statements electronically
- Reconciliation was a huge challenge
- No working capital maximization
Cash Is King…But Hard to Manage

- Time & resources to count & verify sales totals
- Handling notes, coins and checks
- Security to protect funds
- Courier expenses
Seeking a Unique Solution
Defining Our End Goal

- Move from manual to electronic
- Deposit daily sales securely & accurately
- Single deposit per location per day
- Automatic reconciliation to single bank account
- Manage one armored car contract
RFP Hurdles

- National solution
- Work with existing airport systems
- Robust information reporting
- Simple solution for stations
- Highly flexible but with a holistic approach
Standing Out from the Crowd
Importance of Partnership
Who is Fifth Third Bank?

- 153-year-old financial services company
- Headquartered in Cincinnati, OH
- 15 affiliates with 1,312 banking centers
- Creatively focused on delivering treasury solutions that meet needs of clients
Develop Process Guidelines

Got Involved  Listened  Brainstorm
Air Miles to Gain On-the-Ground Info

Delta and Fifth Third visited numerous stations
Combining Technologies for a Holistic Approach

- **Four receivables solutions** were combined to handle cash, coin & check deposits

- **One single** bank account
Tailoring the Solution

- Each station was assigned a **unique combination** of solutions

- Stations were divided into **three** categories
High Volume Locations

Deployed smart safes and check scanners
Lower Volume Locations

- Create bar-encoded deposit tickets online
- Prepare deposit bags for weekly armored car pickup
- Offers centralized monitoring & location specific reporting
- Streamlines cash collection process
Outside Range / Lower Volume Locations

- Secure deposit solution used to mail cash under $5,000 to Network Vault for processing

- Delta can track deposits throughout entire delivery process
Streamlined Implementation

- Project Management discipline
- Developed **team training** approach upfront
- Modified process as needed along the way
DELTA GOT SMART ABOUT CASH COLLECTIONS.
Tangible Treasury Success
Benefits

- Daily credit for more than 80% of collections
- Daily automatic reconciliation with a 98% success rate
- Manage one courier relationship centrally
- Eliminate need for Centralized Return Check Account
Benefits

- Realize significant headcount reductions
Benefits

- Consolidate bank relationships
Benefits at the Station Level

- Eliminate need for custom ordered deposit slips & endorsement stamps
- Provide safe & reliable process to deposit daily collections
- No need to keep copies of checks & deposit slips
End Result

- Bring innovation to cash collection
- Tighten cash collection cycle
- Look like a rock star
Lessons Learned

- Gain thorough understanding of process flows
- Be clear about needs
- Don’t compromise when selecting banking partner
- Put yourselves in the shoes of the people who work at retail locations
- Gather as much feedback as possible
Questions and Comments

We’d like to hear your thoughts!
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