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A Better Cash Receivables Solution: How Retailers Can Harness Vital Analytics

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Sr. Treasury Management
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Is Lack of Visibility Into Cash Receivables Data Leaving You Operating Blind?



Your Panelists

Andrew Teachout

**Business Analysis Manager
Starbucks Coffee Company**

- 8+ years working on the Corporate Liquidity and Treasury Operations team focusing on cash solutions.
- Responsible for managing Starbucks store banking portfolio, including store bank and car company relationships.
- Deeply involved in vetting and testing new equipment and processes.

Lou Salafia

**Founder and President
IFS, Inc./DTS Connex**

- 30-years experience working with various merchants, financial institutions and suppliers across banking and retail industries.
- Develops value-added services to provide web-based deposit, change order, courier tracking and store cash management services to their retailer and multi-location business clients.

Josh Dunaway

**Sr. Treasury Management
Product Manager
Fifth Third Bank**

- Responsible for Bancorp product sales growth, new product innovation, regulatory and compliance excellence and core processing for the cash receivables product across Commercial and Business Banking relationships.
- Served in the U.S. Army National Guard holding the rank of Staff Sergeant.
- Deployed to Germany in 2006 as part of Operation Enduring Freedom.

Cash in Retail Refuses to Go Away



The Demise of Cash is Premature

- Cash remains the most frequent method of payment in the U.S.
 - Represents ~31% of consumer transactions - more than electronic, credit, debit or checks.
- Even with internet sales growing quickly, e-commerce represents less than 10% of all retail transactions.
- Use of cash by U.S. households is consistent across most income levels, around 25%, and goes way up at the lowest incomes.



Source: www.cnn.com/2018/08/06/spike-the-dollars-obit-cash-is-still-a-growth-business.html

The Demise of Cash is Premature

- Philadelphia recently enacted an ordinance against cashless retail businesses and can levy a \$2,000 fine if a business does not accept cash.
- New York, Washington, D.C., Atlanta and Chicago considering similar ordinances to protect consumer's choice of payment.
- The need to bring innovation to improve efficiency of cash processing exists at every point level.



Source: www.forbes.com/sites/laurencoleman/2019/03/14/what-amazons-latest-big-backlash-says-about-the-future-of-a-cashless-america/#251da2132cfe

Starbucks Cash Receivables Challenges

- Manual counting of cash consuming valuable staff time.
- Cash handling safety concerns.
- Time wasted logging into existing store safes.
- Lack of visibility to cash activities.

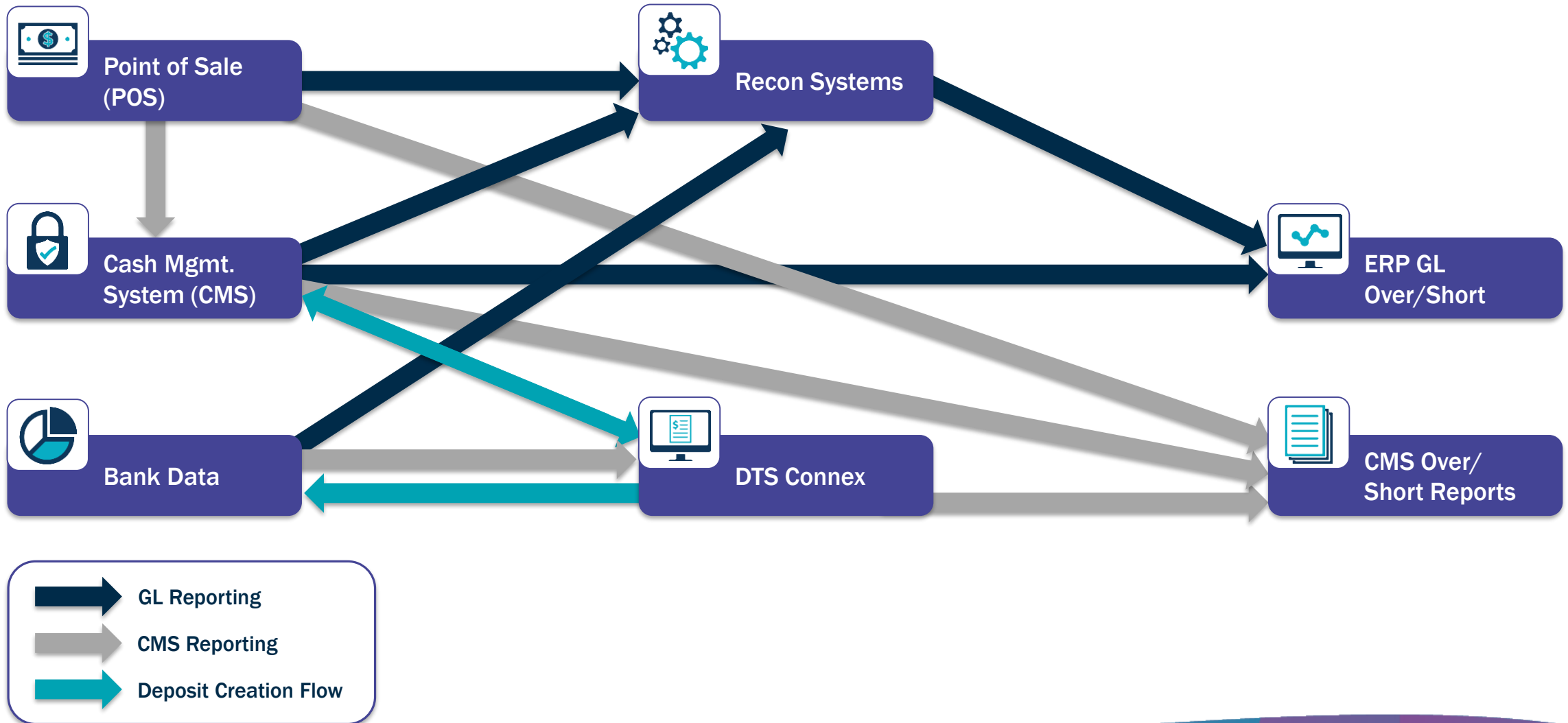


Starbucks Cash Receivables Challenges

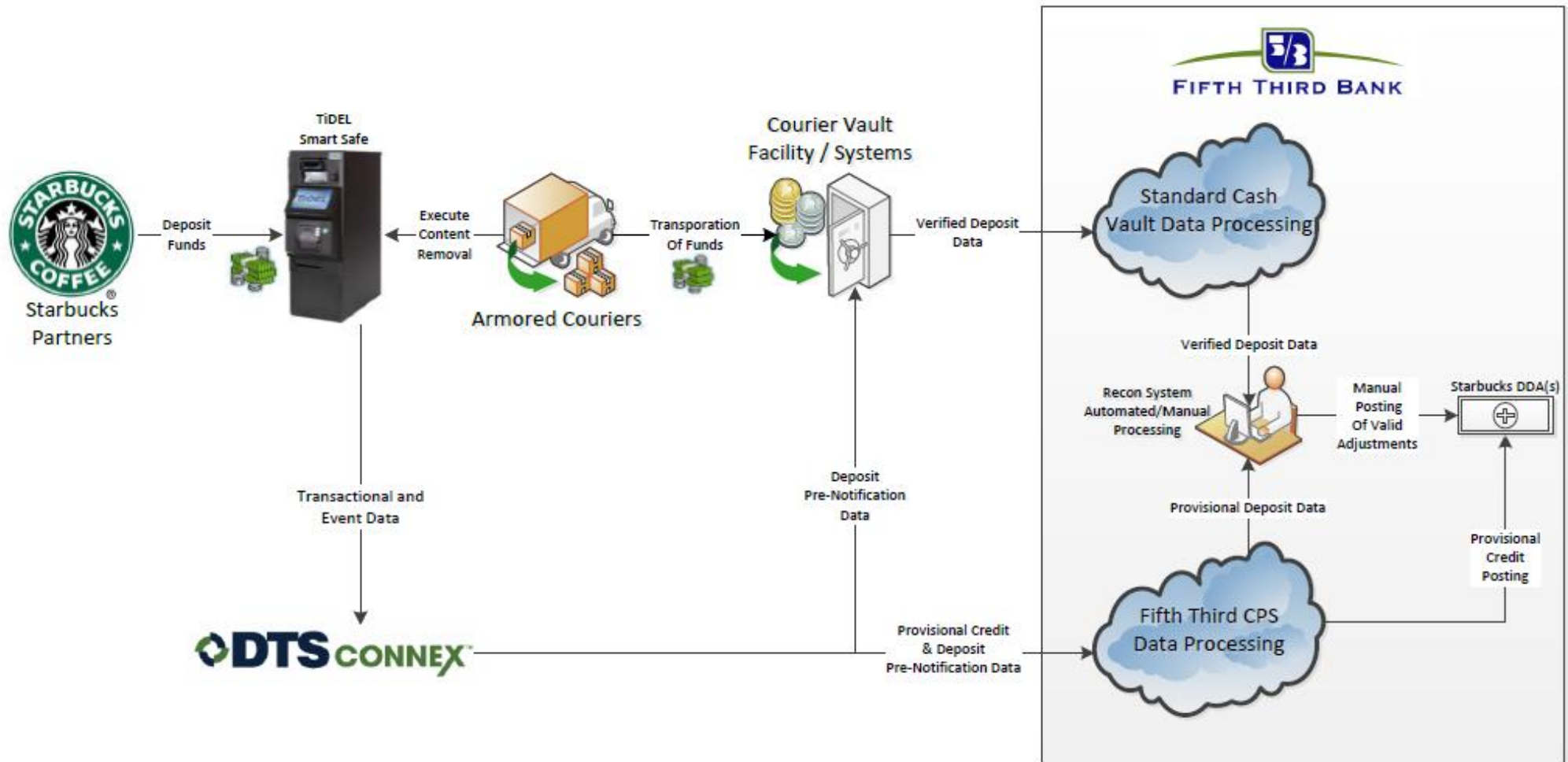
- Lack of integration with company's cash management system.
- Cash count and reporting inaccuracies.
- Inefficiencies in reconciliation process.
- Difficulties in managing multiple banks and couriers to cover national footprint.
- Decentralized approach fails to provide visibility into critical instore data around receivables.



Cash Reporting Flow and System Challenges



How Cash Moves at Starbucks



Smart Safes Present Smart Solution



- Smart Safes introduced to automate cash counting:
 - Eliminates the need for store partners to manually count cash.
 - Builds deposits throughout the day:
 - Provides provisional credit.
 - Faster access to vital working capital.
 - Creates a more secure store environment.

Integrated Cash Management Solution Delivers Critical Insights



- Innovative technology at POS quickly and accurately reconciles cash.
- Integration between smart safe and Starbucks' Cash Management system makes reporting and deposit information available to stores in near real time.
- Streamlines cash-to-bank process, saving time and money.
- Improves back-office process - delivers efficiencies in cash operations and reconciliation.

Brewing Up Great Results



Benefits at the Store Level

Operational

- Reduces safe and cash management log-in time.
- Limits manual counting of cash.

Safety

- Deposits are completely inaccessible once placed in the safe.
- More visibility to cash controller activities.
- Reduction in visible cash handling activities.



Benefits at the Corporate Level

- Measured decrease in bank fees, cash over/short and courier fees.
- 99% count and reporting accuracy.
- Systematic deposit finalization.
- IoT capability for proactive monitoring, health and real-time reporting.
- Reduced number of help desk calls.
- Daily deposits with provisional credit.
- Smooths out reconciliation process.



Panel Discussion

- How does Starbucks plan for innovation?
- How does treasury accommodate innovation?



Panel Discussion

- What are the drivers fueling innovative solutions as cash dwindles?
- What will we be talking about in cash management in five years?



Panel Discussion

- How are practitioners, banks and solution providers using the pressure to innovate to make cash processing more efficient?
- What are small steps that bring big results treasury teams can take if they are early in their cash processing optimization journey?



Best Practices

- Explore opportunities to integrate cash-to-bank processes to maximize efficiencies.
- Invite innovation into cash handling processes to improve in-store accuracies, user experience.
- Be willing to take small steps that deliver big rewards with an eye toward implementing greater process improvements.
- Utilize peer information, banking partner guidance on cash management innovations.
- Communicate desired innovations to banking partners, service providers to bring a healthy pressure to solution providers.

What's On Your Mind?



Feel Free to Contact Us



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