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Dealing with Cash: The Currency Logistics Conundrum

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Is Cash Logistics Weighing Down Your Operations?



Meet Your Panelists

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Jason Stambaugh
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Moderator

Margaux Newell
Director, Large Corporate
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Making Taxes Less Taxing

Who is H&R Block

- H&R Block, Inc. is a global consumer tax services provider. We have professional tax preparers in approximately 11,000 company-owned and franchise retail tax offices worldwide.
- We offer H&R Block tax software products for the DIY consumer.
- In fiscal 2019, we prepared more than 23 million tax returns worldwide.
- \$3 billion in revenue.
 - \$90 million is cash.



Shopping Done Right

Who is Big Lots

- Big Lots, Inc. is a discount retailer operating approximately 1,400 stores in 47 states.
- We offer merchandise categories of Furniture, Seasonal, Soft Home, Food, Consumables, Hard Home, and Electronics, Toys & Accessories.
- Our mission is to help people Live BIG and Save Lots.



Cashing In On Cash Management

Who is DTS Connex

- **DTS Connex serves over 50,000 locations across North America with suite of online cash management tools.**
- **Solutions are designed to work with any bank, courier, system, or device.**
- **Enable customers to standardize cash processes, increase corporate control and enhance operational efficiency.**



Cash Refuses to Go Away

2019 Federal Reserve study reported:

- Consumers used cash in 26% of transactions last year.
- Cash was used heavily for small-value payments.
 - Representing 49% of payments under \$10.



<https://www.frbsf.org/cash/publications/fed-notes/2019/june/2019-findings-from-the-diary-of-consumer-payment-choice/>

Cash Refuses to Go Away

2019 Federal Reserve study reported:

- The share of cash use among individuals under 25 years old is the highest of any age group.
- Cash used for 35% of in-person payments.



<https://www.frbsf.org/cash/publications/fed-notes/2019/june/2019-findings-from-the-diary-of-consumer-payment-choice/>

Cash Collection Challenges

- Security of cash and employees managing cash.
- Processing costs, change orders, etc.
- Having store associates go to branch for deposits in a rising labor rate environment.
- Diminished customer experience.
- Reporting and reconciliation delays.
- Managing multiple banking relationships.
- Managing armored car relationships.



Cash Acceptance Comes at a High Price

- Transportation
- Employee time managing cash
- Internal theft
- Administrative errors
- Liability
- Reconciliation
- Bank processing fees



Realities at the Point-of-Sale



H&R Block's POS Payment Mix

2019 Year-to-Date:

- Cash – 6%
- Credit/Debit – 83%
- Checks – 11%



Big Lots' POS Payment Mix

2019 Year-to-Date:

- Cash – ??%
- Credit – ??%
- Debit – ??%



Lessons Learned: Panel Discussion



Evaluating Available Currency Logistics Options



Achieving Processing Efficiency



Improving Employee Safety



Freeing Up Personnel To Deliver An Exceptional Customer Experience



Depository Solution Choices

- **Branch/Banking Center**
- **Armor Car/Cash Vault**
- **Smart Safe/Recycler**
- **Non-Armor Car/Cash Vault**



Evaluating Available Solutions

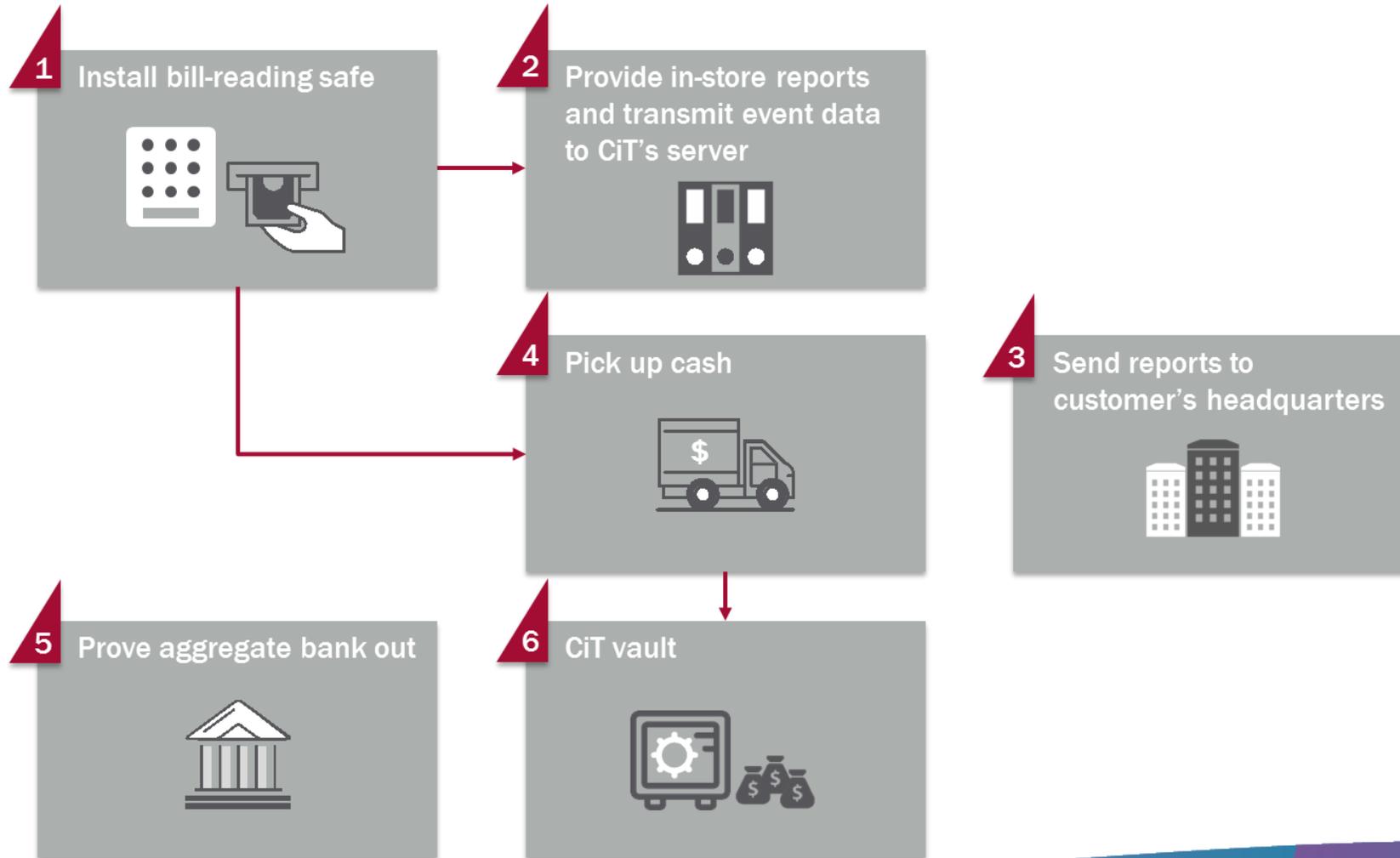
- Assess market solutions, processes and procedures
- Who will be involved in selecting a solution?
 - Will projects be led by treasury?
- Single solution vs. blend of solutions
- Best practices for achieving ROI



What Businesses Could Benefit from Remote Cash Capture

- Quick service restaurants
- Cinemas
- FS restaurants
- C-stores
- Drug stores
- Grocery/supermarkets
- Mass merchants
- Department stores
- Health care providers
- Appliance

How “Smart Safe” Systems Work



What's On Your Mind?



We'd Love to Hear From You



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