

Cash Management in Retail

How retailers can drive higher efficiency
and reduce costs with automated cash
handling technologies.



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Introduction

For all the discussion about cash disappearing due to the rise in mobile and card payments, cash still remains a popular form of payment. “In 2025, cash is projected to account for approximately 10% of global point-of-sale (POS) transactions”. While this represents a decline from previous years, cash handling remains an essential aspect of managing a retail operation, especially given its continued importance among certain demographics, such as consumers aged 55 and older.

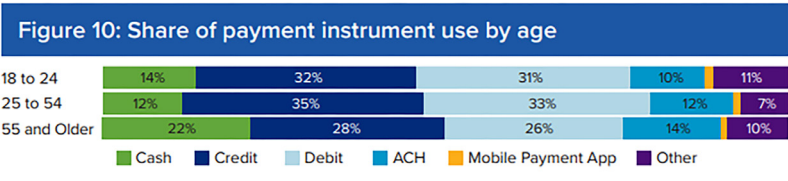
With its sizeable presence in retail environments, cash presents significant challenges for retailers. Business owners and store managers must deal with not only time-consuming, manual cash handling processes, but also shrinkage, theft and robbery on a daily basis. So, what can retailers do to process cash more efficiently? How can owners and managers prevent loss of money at the checkout and in their cash office? What are some key ways they can protect their staff, employees and store from both internal and external threats?

In this white paper, you will see how cash management technology can help retailers achieve greater efficiencies and significant savings through automating cash handling processes. We will explore what role technology can play within the cash process and how retailers can benefit at each step of the way. Retailers who adopt the right technology will gain from it through increasing operational efficiency, reducing costs and improving the overall customer experience in retail.

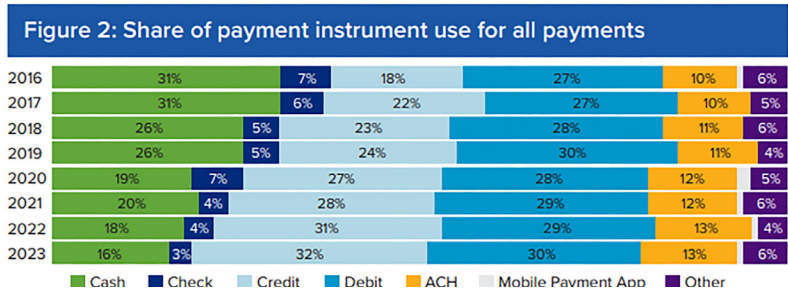


Cash is Here to Stay

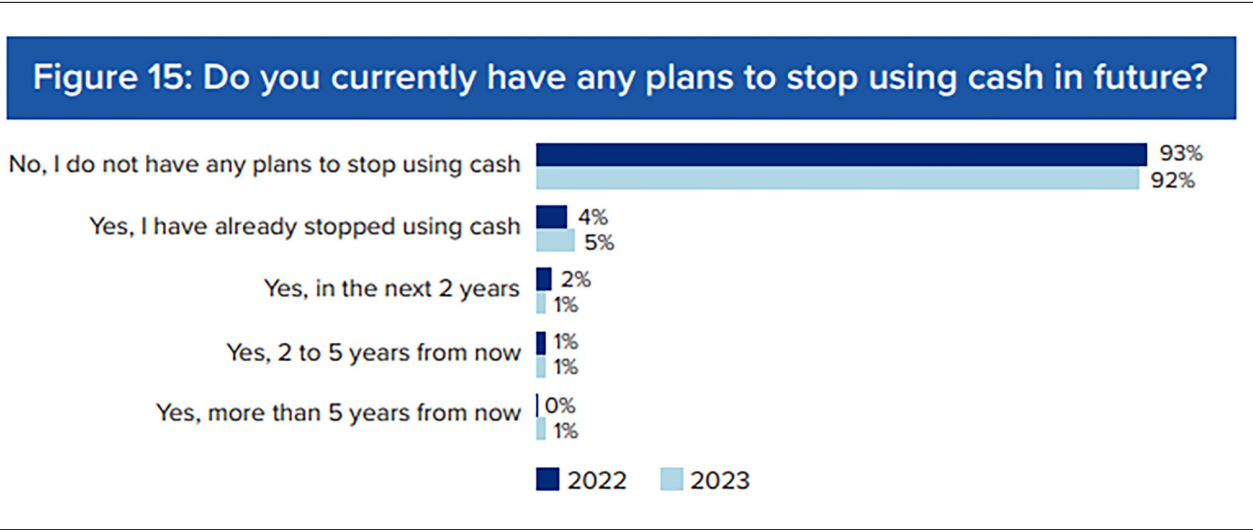
Despite the growing adoption of digital payment methods, cash continues to play a significant role in the U.S. economy. While the use of cash has declined in recent years, it remains a widely used and accepted form of payment, particularly for smaller transactions and among older demographics.



According to the Federal Reserve, the amount of cash in circulation has consistently increased year over year since 1999. In 2023, the most recent year of federal reserve payment data, cash was used in 16% of payment transactions. While this shows a slight decline from previous years, it is due to the increase in total payments, rather than a decrease in cash payments. This indicates that, while cash's share of transactions may shrink as total payments rise, there is still a persistent baseline demand for it --likely driven by factors such as consumer preference, accessibility, and the specific advantages cash offers .



The impact of COVID-19 on cash usage has been mixed. While there were initial concerns that the pandemic would accelerate a shift towards a cashless society, data shows that many Americans continue to rely on cash. In fact, the amount of cash people carry increased during the pandemic, indicating a continued trust in physical currency during uncertain times. More than 90% of people plan to keep using cash, either for payments or as a store of value, due to its unique advantages.



The Cash Process in Retail

Retailers must optimize cash handling while managing an increasingly digital payment mix. In order to manage the cash, staff must perform several tasks throughout the day.

- Validate and count cash into drawers at the start of their shift
- Handle cash during customer transactions, while also greeting and assisting customers
- Refill or swap out denominations in register drawers
- Remove excess cash and bring it to a back office
- Deliver deposits to a cash office or the bank
- Both cashiers and managers count the cash from the cash register drawer to confirm the amount.

A Day in Retail



Know Your Cash Management Risks

Time and Costs

For retailers, having to manually count cash, replenish cash drawers, perform daily reconciliations, balance cash drawers and prepare cash for transportation cost time and money. Administration alone, including the time spent on cash reconciliation, can represent over 70% of cash management costs. As a result, efficiency declines and customer engagement is set aside.

Security

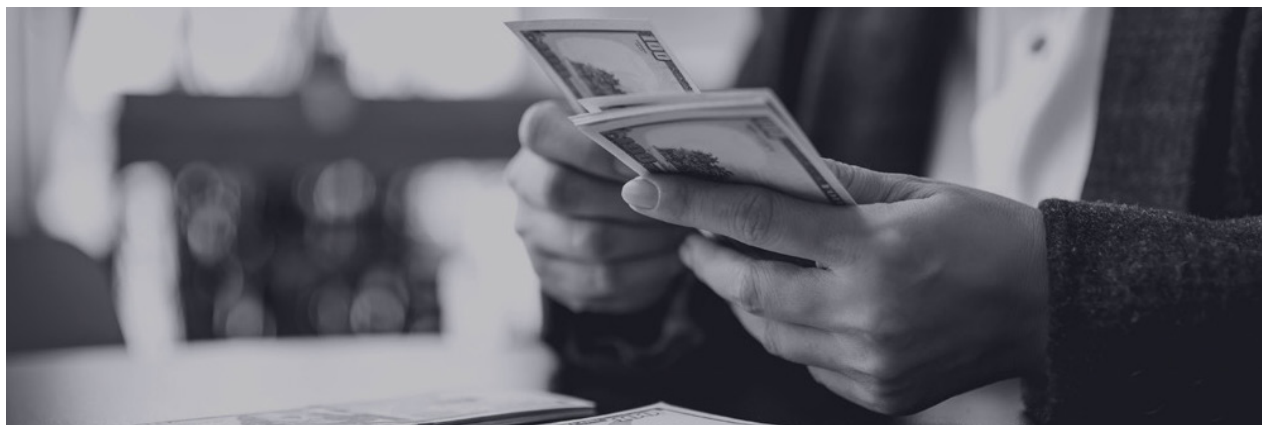
Theft and robbery present serious challenges for retailers, representing significant costs and serious risks to safety. According to the 35th Annual Retail Theft Survey conducted by Jack L. Hayes International, nearly 45,000 dishonest employees were apprehended in 2022, up 18%; and over \$50 million was recovered from these employees, up 14.7%. According to the U.S. Chamber of Commerce, in 2020, ORC cost retailers an average of over \$700,000 per \$1 billion in sales, marking a more than 50% increase over the previous five years.

Shrinkage

The loss of inventory and cash is caused by cash register skimming, employee theft, shoplifting, and cashier or administrative errors. The National Retail Federation reported that shrink is at an all-time high. According to their annual National Retail Security Survey, Retail shrink reached \$112 billion in 2022, up from \$93.9 billion in 2021. When cash procedures are done manually and are not tightly controlled, it's very difficult to track down when and where errors happen.

Control of Cash Levels

Cash management is all about visibility and control. Knowing how much money you're dealing with each day at each store location and where that money is going is key to successful management. Managing cash levels and cash processes manually costs retailers significant amounts of time and money.



How Retailers Benefit from Cash Automation

Increased Operational Efficiency

Automated cash management solutions shorten and eliminate many manual cash handling tasks, saving retailers both time and money. By streamlining operations, retailers shorten their overall cash cycle and cashiers can spend more time engaging customers.

Higher Security

Minimizing the risk of theft and robbery by using automated cash handling systems with built-in certified safes reduces cash access to everyone involved in the cash cycle. Employees feel safer and owners have greater peace of mind knowing they are doing everything possible to protect their staff and customers.

Loss Prevention

Shrinkage from internal and external theft is greatly reduced with smart cash management systems. There is greater transparency with cash deposits registered from every cashier on every shift.

Optimized Cash Cycle Monitoring

End-to-end solutions, including hardware, software and associated services help optimize cash management security. Cash tracking and reporting software provides better overall control and monitoring of the entire cash cycle across single and multiple store locations.



Automated Cash Handling Systems

There are several automated cash management options available to retailers. Understanding the functionalities of each will help you decide which ones will best meet your cash processing needs.

Closed Cash Handling Systems

Closed cash handling systems keep cash locked away from the moment a customer pays to the point at which it is collected by a pickup service. These systems are integrated into a store's point-of-sale, front and back office processes:

- A payment station at the checkout for notes and coins which recycles cash as change and stores larger denominations in separate cassettes
- A sealed cassette (sometimes ink-protected) to securely transport cash to the back office
- A back-office deposit safe into which the cassette is inserted and removed by a pickup service upon cash collection

Cash Deposit Systems

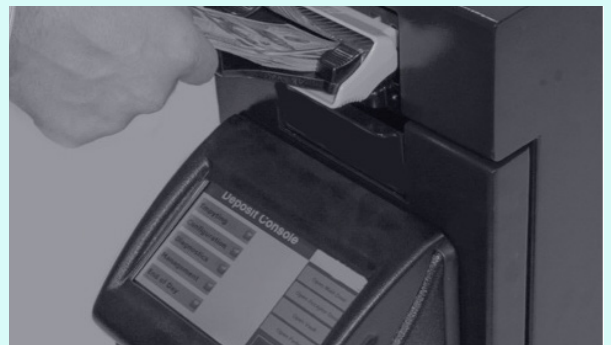
Cash deposit systems, also known as smart safes, accept, count and validate cash deposits and generate detailed audit reports of cash transactions. This saves time on handling cash and adds a higher level of staff accountability to the process.

The safes can be connected to a pickup service and bank for real-time monitoring of cash levels. Provisional credit can be arranged with the bank, where the bank will credit the deposit before the physical cash arrives. This gives retailers faster access to their working capital and reduces the need to make actual deposits at the bank.

Smart safes are designed for retailers of all sizes. Compact, under-counter systems handle low to mid-volume cash deposit at the checkout. High-speed, large-volume smart safes rise in their note capacity and deposit processing speeds, making them ideal for back-office operations.



Closed Cash Handling System



Smart Safe

Automated Cash Handling Systems and Software

Cash Recyclers

Retailers use cash recyclers for a combination of cash deposit and dispense processes. The system accepts, counts, deposits and stores cash in a secure certified built-in safe. Often referred to as a virtual vault, the system dispenses the stored cash as needed throughout the day, eliminating the need for manual cash handling and visits to a cash office or vault.

Cash recyclers automatically dispense notes and coins for cash drawers in the morning. Daily money received is then recycled into the day's cash float and any overflow is collected and deposited in the bank. When cashiers are running low on a denomination, they can refill their cash drawers from the back-office recycler.

Detailed audit reports of the day's cash transactions are generated for balancing and reconciliation at the end of the day, saving significant administrative time and costs in back office processes.

Cash Control and Reporting Software

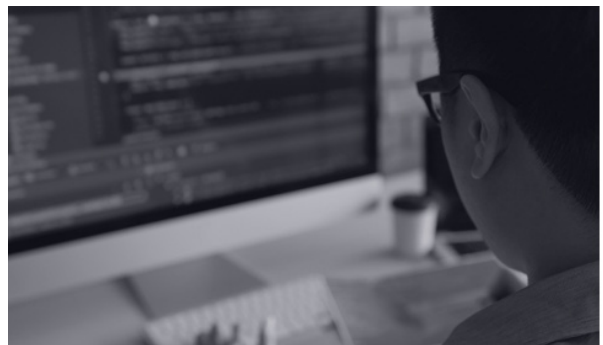
Cash control and reporting software provides online tracking and reporting of cash for single or multiple cash handling systems.

Working together with your cash management systems, the software provides a comprehensive view of cash amounts, sales reconciliation, collections and deposits to the bank.

Using cash tracking and monitoring, store owners can optimize cash flow planning across multiple retail locations, while store managers and financial staff can better manage daily cash levels within their individual store operations



Closed Cash Handling System



Smart Safe

Conclusion

Cash continues to be a payment of choice among consumers. In fact, it remains one of the most popular forms of payment in the U.S.

With clear demand for the usage of cash for payment transactions, retailers are challenged with managing cash across their operations. This brings with it several challenges, from administrative costs and shrinkage to theft, robbery and controlling cash levels in stores.

By automating cash handling, retailers can eliminate inefficiencies, reduce labor costs, and enhance overall store security --freeing up staff to focus on revenue-generation through better services and sales. Automated cash management physically safeguards cash, adding accountability and real-time visibility into cash flow that enables retailers to make smarter financial decisions.

Embracing cash automation as a core component of a comprehensive cash management strategy gives retailers a competitive edge and drives profitability. Solutions such as smart safes, cash and coin recyclers, and cash management software systems ensure accuracy, streamline operations, and minimize shrinkage --leading to a safer, more efficient, and more cost-effective business.

However, to optimize their cash operations, retailers must carefully evaluate their unique operational needs, cash volumes, and security risks to determine the best mix of technology for their front- and back-office operations. Those who invest in the right cash automation tools today will position themselves for long-term success --cutting costs, improving security, and creating a seamless retail experience for both employees and customers.



About Sesami

Sesami: A single, scalable, global platform offering intelligent and sustainable cash management solutions. Sesami's AI-enabled enterprise software and intelligent devices empower the banking, retail, and service industries worldwide, transforming cash management and delivering exceptional ROI.

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