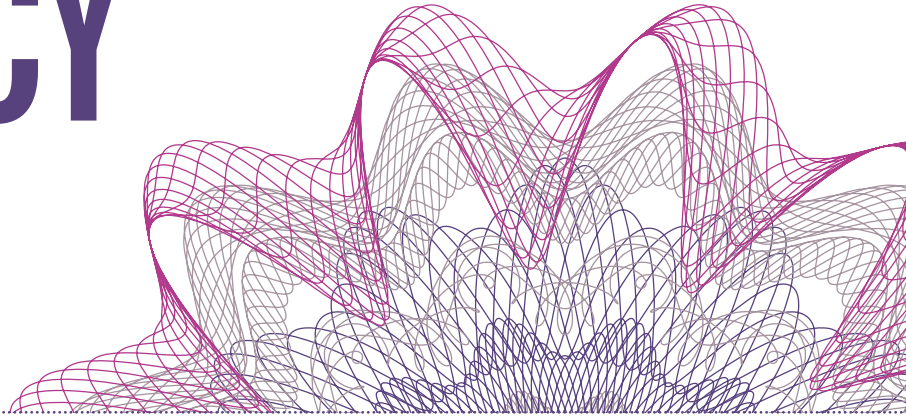


CURRENCY NEWS™

VOLUME 15 – NO 11 / NOVEMBER 2017



BCR Achieves Major Efficiencies in Romania with Cash Management Solution

Today there is great competition among retail banks in all countries for customers, so each bank is doing everything possible to provide them with the best possible service. And while generally retail banks are looking to remove cash as a core activity for their staff within branches, they are still looking to provide an efficient cash service for their customers, but in a different way.

At the Europe Cash Cycle seminar in Budapest earlier this year, and subsequently at the ATMA Europe conference, Octavian Calin, Head of Operations and Cash Coordination Department at BCR Romania, presented a case study about the bank's increased efficiency gained from the introduction of a new cash management system.

BCR Romania is part of the ERSTE financial group with operations in seven European countries – Czech Republic, Austria, Romania, Slovakia, Croatia, Hungary and Serbia. In total, the group has around 15.9 million customers, 44,400 employees and 2,648 branches. BCR in Romania is the third largest in the country with 3 million customers, 507 branches, 2,500 ATMs (cash-out, cash-in, multi function recycling devices, FX exchange services), 1,600 users, cash transactions in 16 currencies and a large number of processing centres around the country.

Calin's objective in adopting a cash management system was to improve BCR's efficiency by reducing interest and insurance costs, improving cash logistics and decreasing the cost of cash processing. To achieve this, it embarked on a project to introduce an integrated cash management solution, choosing a solution offered by NCR and starting with the ATMs and automated machines management.

The objective was to reduce the amount of cash in the network, as well as the number of emergencies such as cash runs and out of cash incidents, and to take the best action based on real-time information.

Prior to implementation of the programme, cash levels for each processing centre and ATM were determined manually for each denomination, using spreadsheets and legacy applications based on historical data for cash inflows and outflows.

For branches, the forecast was performed locally based on cash thresholds and scheduled payments to customers, with cash requests being sent to the centralised coordination office.

Finally, cash pick-up orders for customers were generated automatically based on pre-scheduled agreements, while the cash deliveries were generated manually on customer request.

NCR and Printec, a leader in automated transactions in central and south eastern Europe, worked closely with BCR to analyse the situation. They opted to use the NCR *APTRA* Cash Management Suite which performs automatic monitoring, forecast and cost optimisation calculation of the cash needed in processing centres, ATMs and branches.

The system also supports a real-time decision making process on the opportunity cost resulting from the customer's cash needs, the bank's liquidities and the placement of cash in favourable conditions for the bank.

The forecasting modules allowed BCR's coordination centre to improve the management of cash requirements both for the branches of a bank and ATMs.

The project team of BCR, Printec and NCR took six months to deploy the solution suite, including making country-required unique modifications – a significant challenge given vast size of BCR's network in Romania.

Positive results were obtained for each of BCR's chosen objectives – there was close to a 20% reduction in the cost of transportation of cash for branches and ATMs and a 99.8% cash availability; customer service was significantly improved. In addition there was a 15.1% decrease in ATM replenishments, improved cash availability and cash return rate, and a 15.5% decrease in ATM cost processing.

Two other targets for the project were branch integration and process centre efficiency.

For branches, a decrease in branch transports was achieved, there was an improved cash threshold compliance rate and in the nine-month trial period, no emergency orders.

In the processing centres, a comprehensive vault management solution has been introduced to manage the entire cash funding chain, and the cost of managing the network in wholesale cash operations is being optimised.

We look forward to providing more such case studies that indicate the advantage and cost effectiveness of employing modern technology and systems.