

WHITE PAPER

# Fewer Headaches, More Value: The Benefits of Outsourcing ATM and Branch Cash Management



Cash  
Management  
Services

Powered by U.S. Bank

## **FEWER HEADACHES, MORE VALUE: THE BENEFITS OF OUTSOURCING ATM AND BRANCH CASH MANAGEMENT**

In 2022, consumers still believe cash plays an important role in how they manage their money and make payments. As American consumers transition to post-pandemic life, they will continue to need and expect access to cash. Yet many banks and credit unions struggle to optimally manage their ATM and branch cash programs. They grapple with how to achieve the right balance of cash. They contend with vetting and scheduling third party vendors to support program needs. Staff charged with oversight tasks are often distracted and fragmented in their roles, diminishing their productivity and morale.

ATM and branch cash management outsourcing can deliver much-needed relief to financial institutions that want to alleviate the headaches associated with managing their program. The ideal cash managed services provider will offer remedies for all four program headaches: forecasting and cash sourcing, vendor management, resource allocation and dispute resolution.

### **HEADACHE: FORECASTING AND CASH SOURCING**

An ongoing challenge for financial institutions is how to maintain optimal ATM cash inventory levels. It is common for financial institutions to carry higher than necessary ATM residuals. This can be an inefficient use of the financial institution's capital, which could be better and more profitably deployed elsewhere. Without forecasting expertise, these financial institutions pay the price of idle capital to avoid a chain reaction of emergency shipments and dissatisfied customers/members.



An experienced cash management partner will use forecasting and cost analysis to identify cash withdrawal patterns and optimize cash needs. Modeling research and predictive technology can uncover optimal interval schedules to help networks avoid shortages and negative customer/member impact, while reducing cash maintenance costs. Properly managing cash levels also helps avoid costly armored carrier visits and extra work for office staff.

Financial institutions can access various funding options beyond forecasting services. They can opt to utilize their own capital reserves or they can leverage a funding partner and reallocate their own funds elsewhere. Both options provide certain benefits. Branches that outsource their cash flow needs enjoy greater flexibility. They can consolidate armored carrier deliveries and save on shipping fees. Redeposits can be returned to the vault for reconciliation. With unlimited outsourced cash from a dependable cash source for ATM and branch cash needs, financial institutions can invest in expanding their ATM network or other areas of their business.

## **HEADACHE: VENDOR MANAGEMENT**

Armored carrier deliveries provide essential support for an optimally funded branch and ATM fleet. Yet, these partnerships take time and effort as staff negotiate, schedule and troubleshoot service-related issues. Responsibility grows with large and widely distributed networks, but even smaller programs can struggle to stay on top of vendor logistics and security concerns, not to mention effort expended to manage invoices and contain costs. Imagine the relief financial institutions experience when they can hand off these critical yet time-intensive tasks to a cash managed services provider. Ideally, this resource features tenured professionals with the necessary expertise to assure fast, fair resolution of disputes, clear insight into vendor performance and greater peace of mind over branch and ATM-related costs, security and service.





An all-in-one cash managed services provider can guide the selection of reliable armored carriers. Premier partners manage carrier relationships across the financial institution's entire fleet and simplify payment with consolidated invoices. They manage logistical and security challenges in a centralized way and monitor armored carrier performance to ensure timely and professional service. Within their capabilities, they should offer a dedicated, experienced customer support team.

### **HEADACHE: RESOURCE ALLOCATION**

Financial institutions often struggle with how many resource hours are eaten up by their ATM channel. Routine cash handling tasks can commandeer valuable time better spent on more complex interactions. Team members with these responsibilities are pulled in many different directions, often to the detriment of customer/member relationships.

By delegating to an experienced cash managed services team, financial institutions can repurpose their back-office staff to focus on other key initiatives. These forward-thinking financial institutions are free to reassign staff to roles focused on the cultivation of customer/member relationships and sales, leading to greater productivity and morale.

### **HEADACHE: DISPUTE RESOLUTION**

All ATM programs encounter their share of customer/member disputes, whether due to equipment or human error. There's no way to completely avoid this aspect of the business, but financial institutions can reduce the ongoing impact of these time-consuming challenges by outsourcing their management to an experienced team.

A proficient cash managed services partner can facilitate timely resolution of any armored carrier or Reg E claim. The right resource can be counted on to provide claims expertise along with a team dedicated to investigate and resolve all disputes. They take on the responsibility of reconciliation at every level of funds movement and work with armored carriers to verify the transactions in question. Meanwhile, financial institutions can focus on more profitable activities.

## **REVIEWING THE BENEFITS OF OUTSOURCING**

Financial institutions can expect the following benefits from assigning the day-to-day headaches of forecasting and cash sourcing, vendor management, resource allocation and dispute resolution to a trusted cash managed services provider.

- Flexible sourcing solutions that allow for a single point of contact for cash services to meet ATM and branch cash needs.
- Consolidated third-party risk management oversight of armored carrier operations.
- Fine-tuning of ATM cash levels to attain more reliable availability of machines.
- Securing the institution against unnecessary risk and lost investment opportunity related to ATM overstocking.
- Improved customer satisfaction and loyalty arising from more reliable ATM availability and more attentive service from their primary financial institution.
- Fast, compliant resolution of ATM disputes.
- Greater peace of mind over ATM and branch cash related costs, security and service.
- The ability to reassign staff to roles that enable greater productivity and morale.
- Clear insight into vendor performance.



## THE RIGHT PARTNER MEANS LESS PAIN, MORE GAIN

While outsourcing ATM and branch cash program responsibilities offers financial institutions the potential to alleviate channel-related headaches, not all providers can deliver the same pain relief. The people behind the services matter most; industry knowledge is the special medicine that enables the strongest cure. With this in mind, the size, resources, reach, experience and dedication of the cash managed services provider selected will ultimately determine success. Financial institutions can achieve significant headache relief—reducing ATM channel costs, improving workforce productivity and ensuring a satisfying customer/member experience—by choosing a knowledgeable and dedicated provider that offers a comprehensive menu of ATM and branch cash management solutions.

## ABOUT CASH MANAGEMENT SERVICES

Power your success with the industry leader.

You can trust our proven cash management strategies to help you achieve operational efficiency, allowing you to focus on key business initiatives.

Put the power of our people to work for you with the nation's largest and most experienced provider of cash management solutions.

We offer: ATM and branch cash management, armored managed services, reconciliation, optimized replenishment, cash forecasting and claims management services.

For more information, contact:

Jared Lane

P: 279-201-4824

E: [jared.lane@usbank.com](mailto:jared.lane@usbank.com)

[www.usbankcms.com](http://www.usbankcms.com)

