

Why Cash Recyclers? A Walmart Case Study



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Sr Director Treasury

Bringing Robotics to Retail



- * **5,200 installed**
- **32,000 notes**
- **8 notes / second**
- **39,000 coins**
- **50 coins / second**

Why Cash Recyclers? A Walmart Case Study

- **Why** did Walmart invest in cash recyclers?
- **How** was this major transition rolled out?
- What **challenges** had to be overcome?
- What **enhancements** are coming next?

Walmart Cash Recycler Case Study

Why?

How?

What now?

What next?

Walmart Cash Recycler Case Study

Why?	How?	What now?	What next?
<p>Why recyclers?</p> <p>Defining the ROI</p>	<p>Collaboration</p> <p>Testing</p> <p>Configuration</p> <p>Roll out</p>	<p>Challenges</p>	<p>Future enhancements</p>

Walmart Cash Recycler Case Study

Why?

Why recyclers?

Defining the
ROI

How?

Collaboration

Testing

Configuration

Roll out

What now?

Challenges

What next?

Future
enhancements

Building the Case for Change

- **Manual, repetitive tasks**
- **Errors and opportunities for shrink**
- **Non-customer facing labor spend**

The way it has always been done



Building the Case for Change

- **Recycler technology advancements**
- **Financial institution appetite**
- **Executive buy in**

A new way to do cash management



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www.glasbergen.com



“I want you to find a bold and innovative way to do everything exactly the same way it’s been done for 25 years.”



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A Compelling ROI

- Labor savings
 - Bank fees
 - Carrier fees
 - Cash shrink
 - Working capital
- Capital cost
 - Depreciation
 - Install costs
 - Ongoing Service Fees

Why?

How?

What now?

What next?

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Labor Savings

- **Sorting**
- **Counting**
- **Register preparation**
- **New skills required**
- **Exception research**

Why?

How?

What now?

What next?

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Bank and Carrier Fees

- **Lower cash deposits**
- **Change orders**
- **Carrier days of service**
- **Product development**

Why?

How?

What now?

What next?

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Working Capital

- **Idle store cash**
- **Bank owned cash**
- **Product development**

Why?

How?

What now?

What next?

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- **Hardware cost**
 - Model options
- **Configuration choices**
- **Buy vs. Lease**

**Capital
Cost**

Why?

How?

What now?

What next?

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- **Once off installation**
 - Shipping
 - Technician time
 - Training
- **Ongoing services fees**
 - Maintenance
 - Service fees

**Operating
Costs**

Why?

How?

What now?

What next?

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A Compelling ROI

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- Working capital

- Capital cost
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Why?

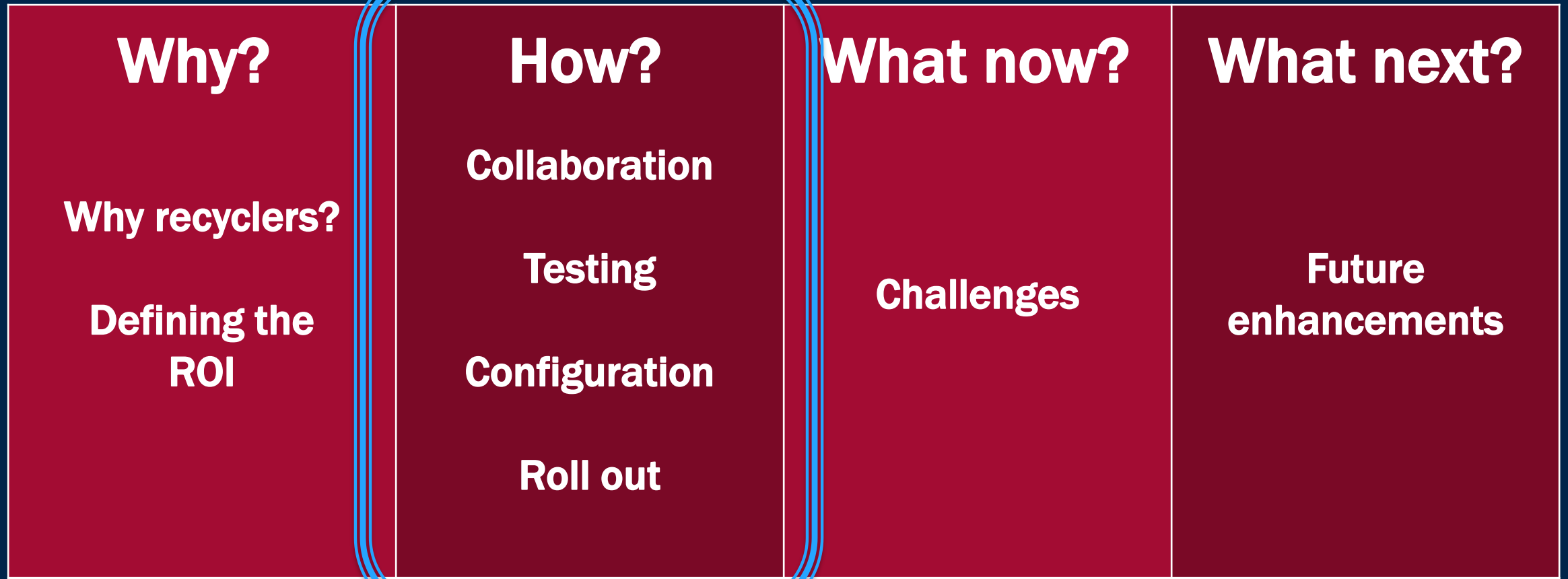
How?

What now?

What next?

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Walmart Cash Recycler Case Study



Collaboration is the #1 Success Driver

Why?

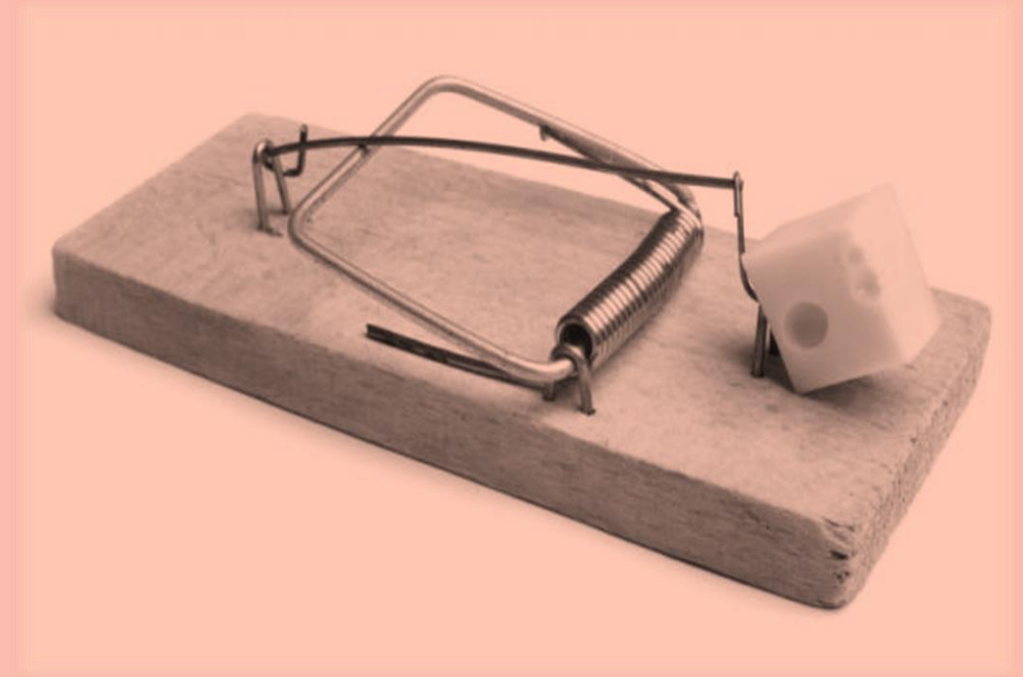
How?

What now?

What next?

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Collaboration is the #1 Success Driver



Why?

How?

What now?

What next?

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Collaboration is the #1 Success Driver



Why?

How?

What now?

What next?

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Strong Vendor Partnerships are Critical

- **Managed Services**
- **Hardware Manufacturer**
- **Equipment Maintenance**
- **Financial Institutions**
- **Armored Carriers**

Why?

How?

What now?

What next?

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Revolution
Retail Systems



**Managed
Services
Hardware**

Why?

How?

What now?

What next?

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Bank of America
Merrill Lynch



**Financial
Institutions**

JPMORGAN CHASE & Co.

Why?	How?	What now?	What next?
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GARDAWORLD



**Armored
Carriers**

Why?

How?

What now?

What next?

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Test, test and test some more

- **All store formats**
- **All geographies**
- **All machine configurations**
- **All banks**
- **All carriers**



Why?

How?

What now?

What next?

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Walmart Chose the Maximum Capacity Machine



- **Notes on the left**
- **Coins in top right**
- **Register trays bottom right**
- **Touch screen**
- **Drop vault**

Also Test Configuration Options

- **Cassette size**
- **Denomination configuration**
- **Set inventory guards**

Left	Right
Overflow	Overflow
\$1	\$1
\$5	\$20
\$20	\$100



Why?

How?

What now?

What next?

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We Learnt a Few things About Coins

- **Bags vs. rolled**
- **Recycler capacity**
- **Half bags and quarter bags**
- **5 billion pennies**



Why?

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What now?

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And We Had a Few Laughs



Why?

How?

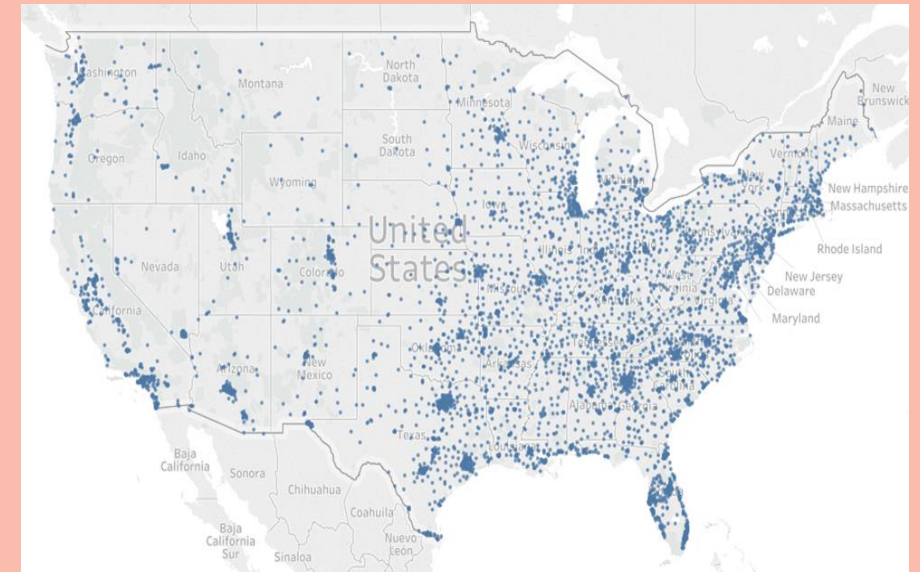
What now?

What next?

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Rollout Takes Collective Energy

- **Contractor work**
- **Store associate training**
- **Legacy system configuration**
- **Call center preparation**
- **Checklists for the checklists**



Be ready for anything

Why?

How?

What now?

What next?

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Challenges Along the Way

- **Fitting the machine in the cash office**
- **Time for installation and carpentry**

Why?

How?

What now?

What next?

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Challenges Along the Way

- **Associate process change management**
- **“The recycler” did ... or didn’t do...**

Why?

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Challenges Along the Way

- **File transfers and data flows**
- **Cash Reconciliation**
- **Accounting**

Why?

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System Integration

- **Legacy systems**
- **POS system**
- **Cloud interfaces**

Why?

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Device Integration

- **Self check outs**
- **Peripheral registers**
- **Multiple recyclers**
- **Smart safes**

Why?

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Ecosystem Integration

- **Cash Visibility**
- **Carrier data flows**
- **Bank data flows**
- **Bag tracking**

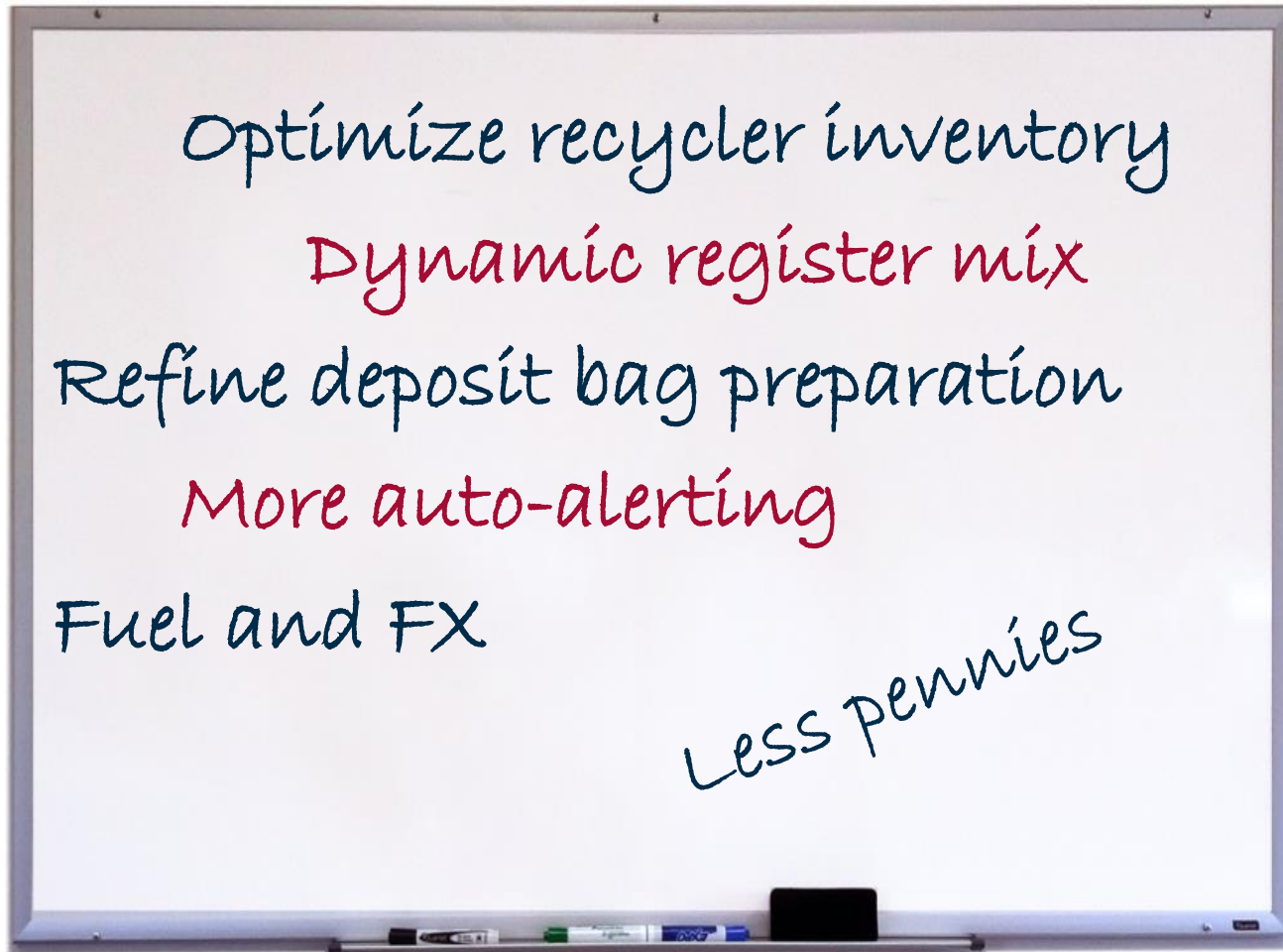
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**A white-
board full
of future
ideas**

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What next?

What Can I Do Tomorrow...

- 1. Research hardware options**
- 2. Meet with banks, carriers and industry players**
- 3. Collaborate with industry peers**
- 4. Put together analysis and prove the ROI**
- 5. Test, test, test**

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Why Cash Recyclers? A Walmart Case Study



Session Description:

Walmart rolled out cash recycler technology across 4,700 U.S. stores to become the largest user of cash recyclers in the world. Their operating model was completely redesigned, including hardware selection, alignment with banking and armored carrier partners and integrating software and reporting—and it continues to be enhanced. Walmart realized savings on its in-store labor by eliminating the manual counting of coin and currency in stores. Additional working capital benefits were realized by implementing a bank-owned model where the cash inside the recycler is owned by the banking partner. Cash deposit levels were reduced significantly as the model was rolled out, which generated bank fee savings. Walmart also transitioned to a centralized, algorithmic ordering of change for all stores, creating further efficiency and reducing total order levels. In this session get all the details and insights of this major transition, including how the model was rolled out, what challenges had to be overcome and how the model continues to be enhanced.