



TCR^x FAQ

Everything You've Ever Needed To Know
About Teller Cash Recyclers Is In This Guide



INTRODUCTION

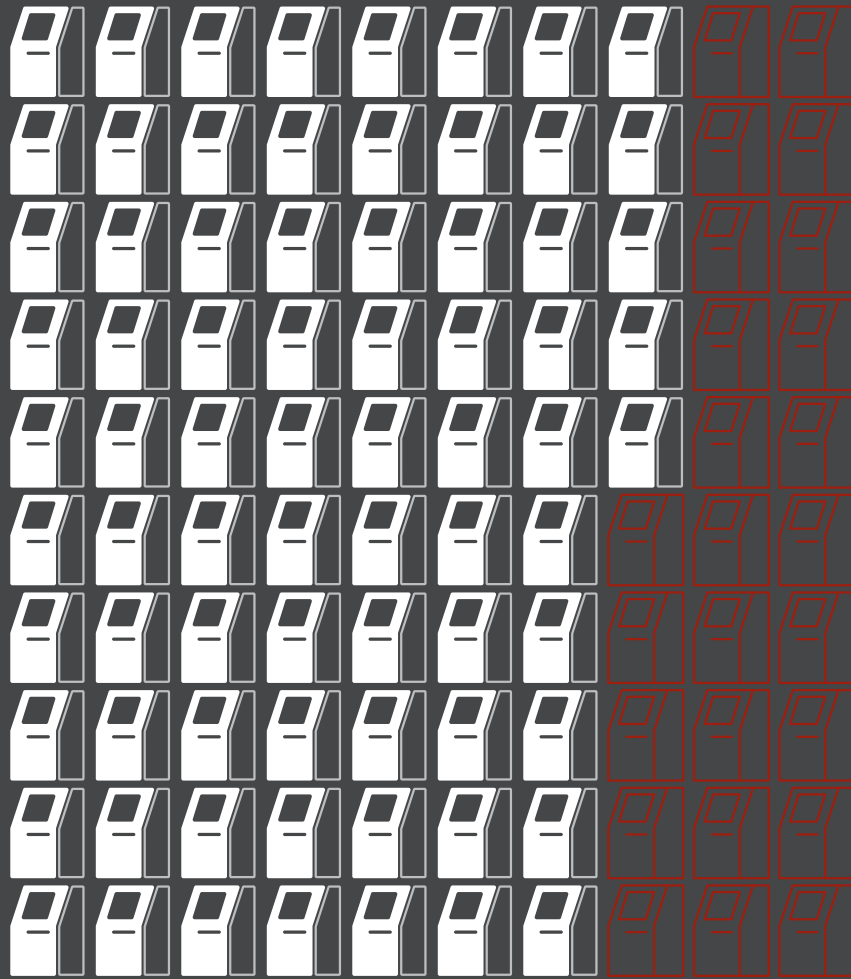
The modern branch is far more than a place to complete transactions. Today, a lot of the basic banking needs can be handled online, which means that those who visit a branch more than likely need more service than what is available via digital channels. Maybe it's just a quick stop to cash a check. Or perhaps it's a parent and their teenager coming to set up the minor's first account. Either way, when a client visits your branch, you want them to experience efficient service.

The most cost-effective and fastest solution to offering a seamless experience for clients (and staff!) is technology implementation. And while there are a ton of technologies on the market you can invest in, there are few as tried and true as the Teller Cash Recycler. For those looking to power up their branch in an extremely fast and affordable manner, these cash automation devices are the solution.

A longtime staple of branch technology, Teller Cash Recyclers enhance the client experience by equipping employees with the tools they need to provide efficient and seamless service.

INTRODUCTION

As of 2022, **75%** of the banking industry leverages TCRs in one way or another. *(Kinective)*



Looking to join the ranks? Already among the ranks but looking to invest in better devices? This mini guide will serve as a resource for you to leverage along your journey of evaluating Teller Cash Recyclers. With all the details you've ever needed to know (and maybe even wanted to know, if you're nerdy about banking tech), you'll be nothing short of prepared to adopt cash automation devices.

TABLE OF CONTENTS

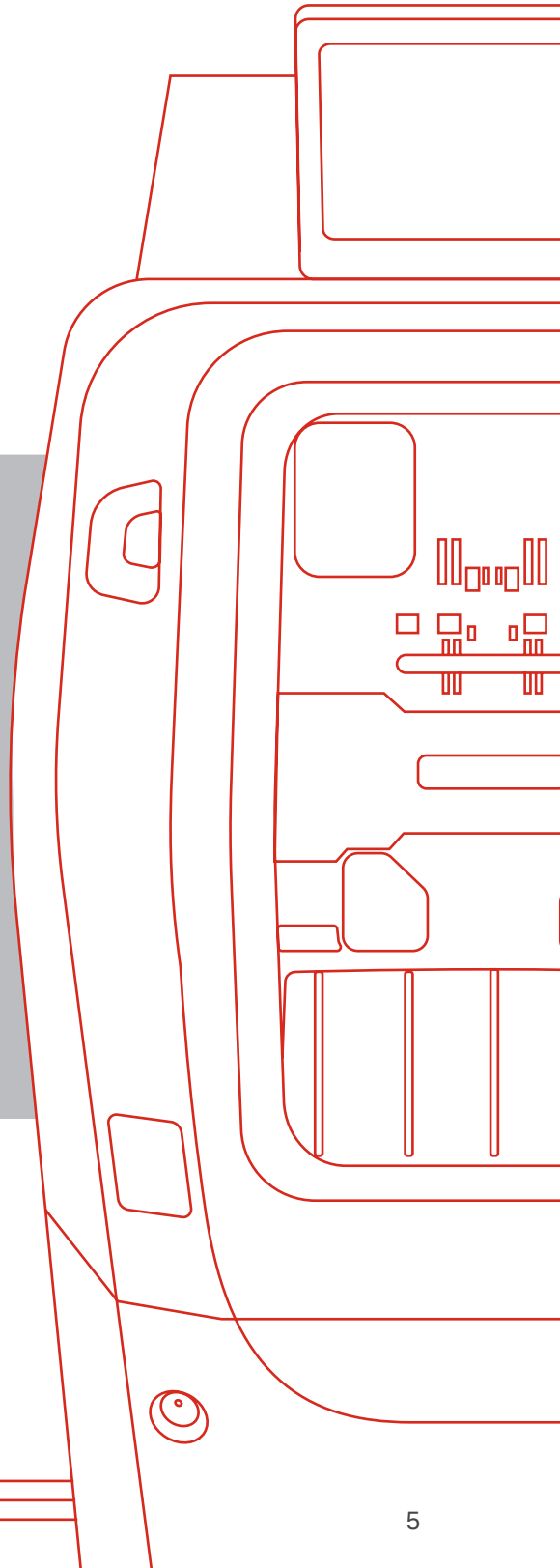
What is a TCR?	5
Why use a TCR?	6
How is the industry using TCRs?	8
Where do you place TCRs?	11
How much does a TCR cost?	12
What is the average ROI for a TCR?	13
Are all TCRs created equal?	15
Where/how do you get started?	20

What is a TCR?

A Teller Cash Recycler or “TCR” is a machine that authenticates incoming bank notes and securely stores the cash in an internal vault, and then provides the capability to process automated cash transactions for the tellers from the cash inventory, including deposits and withdrawals.

To be more specific, Teller Cash Recyclers:

- Can be used for all cash operations in a branch, meaning teller drawers are very often removed entirely or used for only non-negotiables.
- Can replace the central vault and staff throughout the branch can use these devices as a “centralized” vault that does not require dual control.
- Sort all bills by denomination for future use and scrutinized for counterfeit.



WHY USE A TCR?

Why use a TCR?

As institutions continue to become more automated, TCRs continue to play a significant role in the industry. Some of their most impactful pros include:

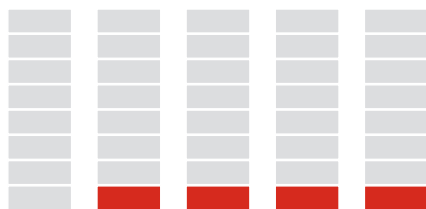
INCREASED PRODUCTIVITY

Tellers and associates who are equipped with TCRs to complete their cash transactions are significantly more productive than those without.



- Cash recyclers improve productivity by 40% by speeding up banking transactions. (ARCA)

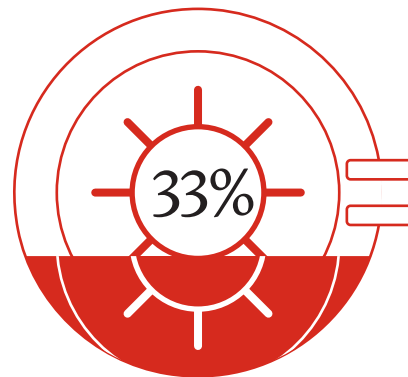
40%



- The average teller saves 4 hours a week using TCRs. (ARCA)

CUT COSTS

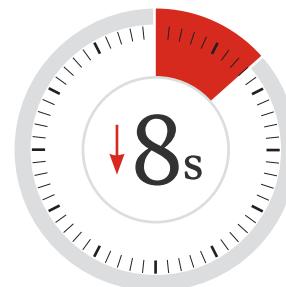
A single TCR can be leveraged by 2 associates, saving costs on equipment and staffing.



- 33% of TCR users reported an elimination of vault activities after implementing TCRs. (Kinective)

REDUCED WAIT TIMES

By speeding up teller transactions, TCRs can help relieve busy teller lines and improve the wait times.



- With TCRs, the average dispense time lowers to 8 seconds. (ARCA)

WHY USE A TCR?

MORE ADVISORY CONVERSATIONS

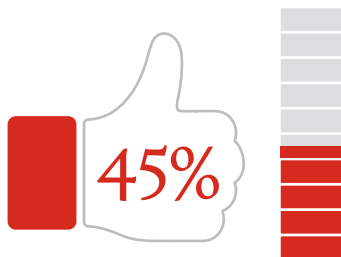
With TCRs, no more time is wasted counting cash. This frees up your associate to have conversation with the client, hopefully uncovering a new need.



- 78% of TCR users reported an increase in sales after implementing TCRs. *(Kinective)*
- "Cash automation creates a 20-second window during every cash transaction where the teller now has the opportunity to uncover customer needs and offer your solutions. Imagine the sales impact if each teller referred just one additional deposit sale per day." *(ARCA)*

IMPROVED CLIENT EXPERIENCE

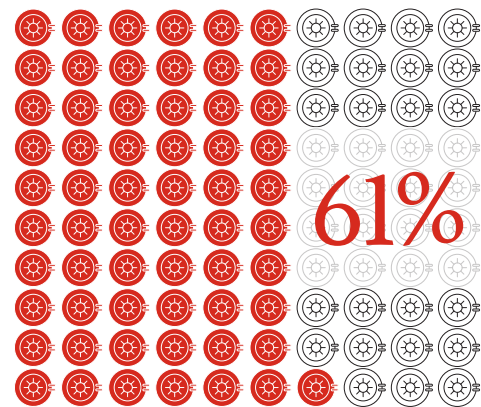
A combination of more advisory level service and shorter wait times is the perfect combination to lead to happier branch visitors.



- 45% of TCR users reported an increase in client convenience after implementing TCRs. *(Kinective)*

MINIMIZED RISK AND CASH WASTE

No longer does cash need to move hands 5-6-7 times a day between the vault, teller drawers, and vault tellers. Plus, these mini vaults provide another layer of security than cash drawers now that cash inventory is secured right at the staff's fingertips.



- 61% of TCR users reported an elimination of vault activities after implementing TCRs. *(Kinective)*



- Teller Cash Recycler deployments reduce teller cash handling by 90% or more. *(ATM Marketplace)*

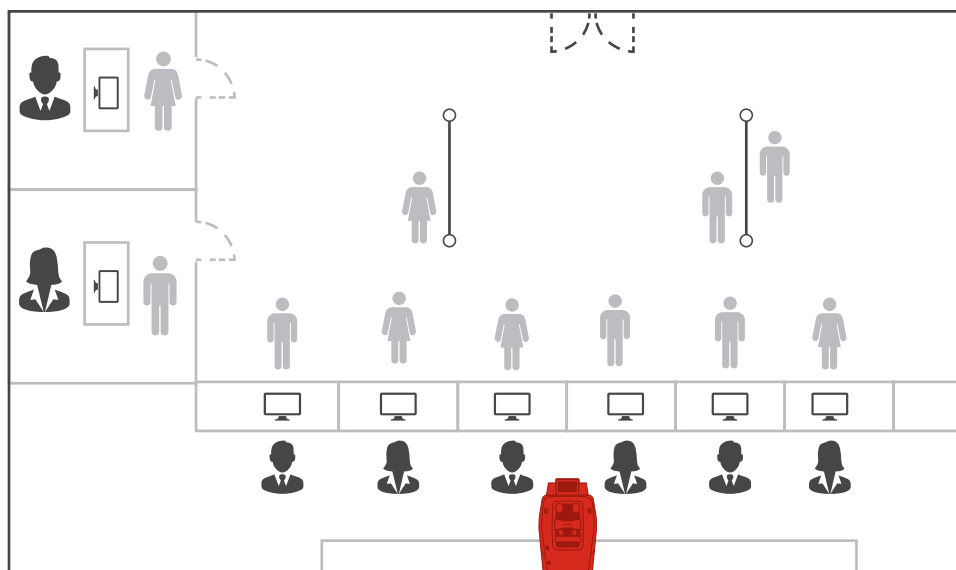
How is the industry using TCRs?

Teller Cash Recyclers are diverse devices with many different ways they can be leveraged. The three most popular use cases are:

- Centralized Cash Handling Devices for Tellers
- Client Transaction Automation Devices for Tellers
- Centralized Cash Handling Devices for Universal Bankers

Sounds confusing, right? We'll break those down for you.

AS CENTRAL CASH HANDLING DEVICES FOR TELLERS:

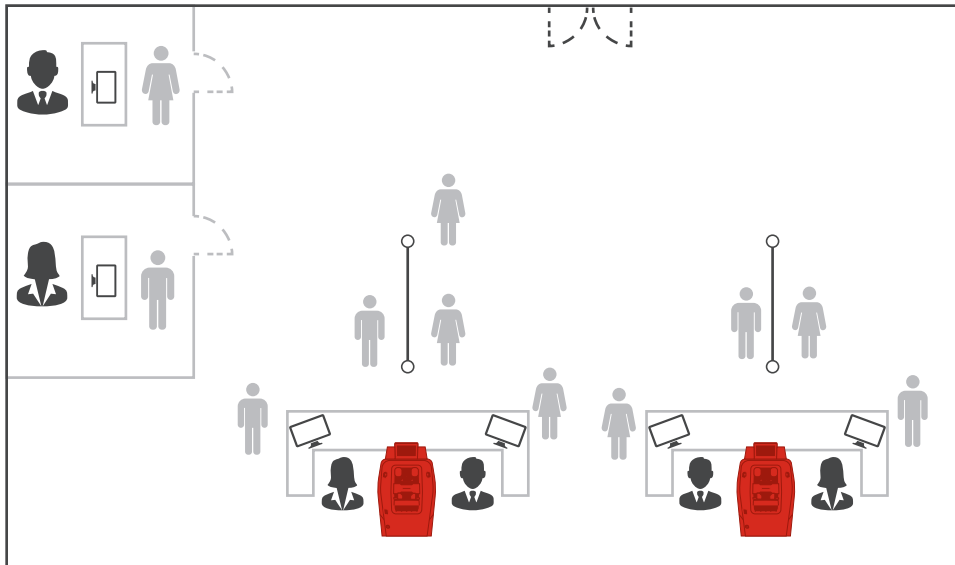


In this diagram, you can see the vault has been removed and the cash recycler is acting as a centralized vault to be used for teller drawer fulfilment. This model was common about 10 years ago and is still used by some banks like Wells Fargo. Banks will see advantages in two major ways. First, a vault teller is no longer needed, because the TCR

will act as the dual control agent—reducing branch staffing needs right away. The second major win is the increase of productivity per teller when using the TCR for vault buy/sells. Instead of spending 15 minutes performing a standard vault buy/sell, the teller can access the funds securely and in minutes replenish their drawer when needed.

HOW IS THE INDUSTRY USING TCRS?

AS CLIENT TRANSACTION AUTOMATION DEVICES FOR TELLERS:



In this diagram we can see the cash recyclers are now being used as part of every teller transaction. This model has now become somewhat standard for most deployments, as it takes the same wins as the Centralized Cash Handling Device model, plus removes the need for any cash drawers in the branch. Without cash drawers, cash handling is minimized while 100% of the focus can be given to each conversation.

As you can see, each cash recycler is being shared by 2 tellers, like receipt or check scanners. This provides ample accessibility and ease of use for each associate.

! PRO TIP:

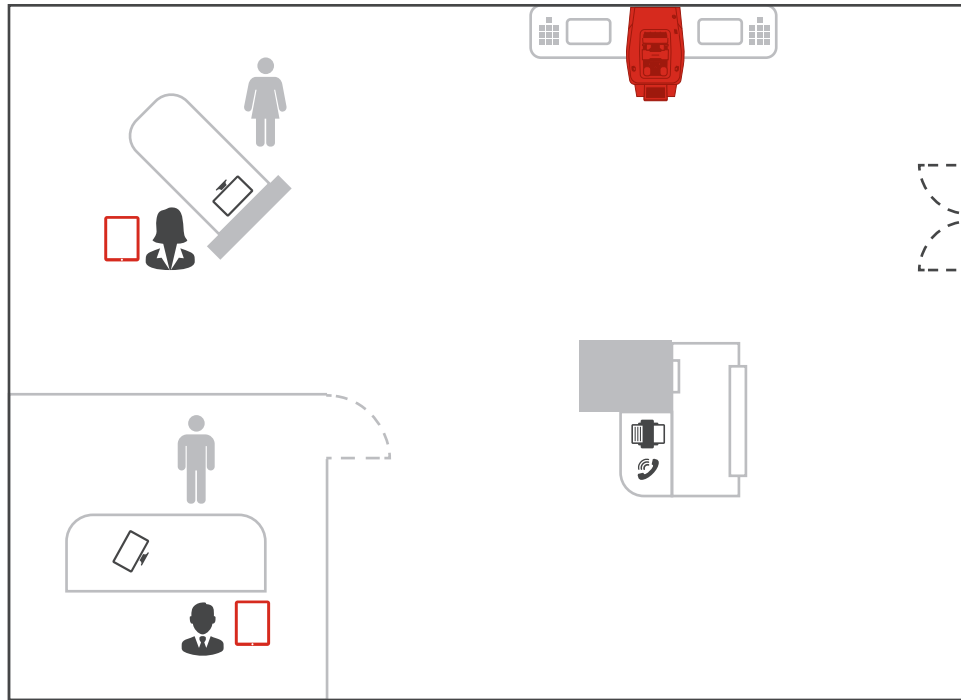
When using recyclers in this format, your team can eliminate teller lines and adopt the teller tower design, enabling a retail focus. No longer is staff forced to perform cold handoffs as they can actually move with the client when needed from the teller area to offices with this design.



HOW IS THE INDUSTRY USING TCRS?

AS CENTRALIZED CASH HANDLING DEVICES FOR UNIVERSAL BANKERS

(THE BEST OPTION)



In this diagram we see a branch that offers a unique experience by giving clients multiple service options such as working with an associate or self-serving via a kiosk that hosts a Teller Cash Recycler inside. The best part of this format is that all bank associates can now perform transactions from anywhere in the branch, no longer tied to a specific workstation. They can leverage centralized cash recyclers to process cash, checks, and all other types of transactions from a workstation or even a tablet.

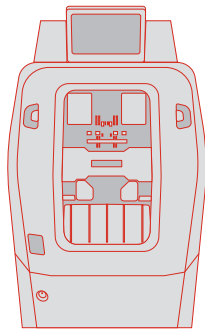
This format allows the branch to become flexible in use and puts the focus 100% on advisory services, vs the low-value, high-cost teller transactions. With institutions like Umpqua Bank and others leading banks using this model as their go-forward branch, we can all agree this is the future of banking.

Where do you place TCRs?

As you saw in the examples just before this, how you plan to use these devices in your branch is a big driver for where you place your devices. But as a main rule of thumb, because these machines are built to help with automating transactions, it is best to position them where transactions are completed most often, like:

TELLER LINES OR TOWERS

87%



- 87% of financial institutions use TCRs in the teller lines or towers (*Kinectve*)

FLEXIBLE WORKSTATIONS



- 18% of financial institutions use TCRs in flexible workstations (*Kinectve*)

DRIVE-UP (INSIDE BRANCH)



- 43% of financial institutions use TCRs in flexible workstations (*Kinectve*)

! PRO TIP:

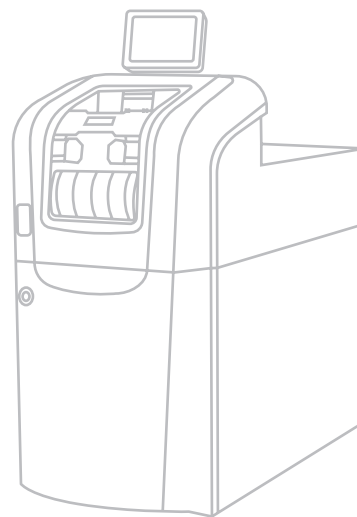
Because TCRs act as a shared station for transactions, they do not perform best in offices. Perhaps that's why only 4% of institutions use TCRs in offices. (*Kinectve*)

How much does a TCR cost?

There are a few key types of cost attached to Teller Cash Recyclers:

- 1 The hardware itself
- 2 Supporting software systems
- 3 Service and maintenance

When investing in a Teller Cash Recycler, there are separate costs associated with the hardware, supporting systems, and ongoing service. It is important to note that most financial institutions invest in 2 Teller Cash Recyclers per branch, increasing their overall cost and equipment investment.



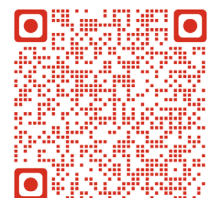
Software solutions range very widely in cost, depending on their capabilities. See the section ‘Are all TCRs created equally?’ for more information on this.

The next cost is the ongoing cost of service and preventative maintenance (or repairs should you skip maintenance). Each device is recommended to have 2 preventative services per year to ensure it continues to operate at its best performance.

! PRO TIP:

If you aren’t servicing and maintaining your devices properly, you’ll have to spend even more on repairs. Don’t go discount here.

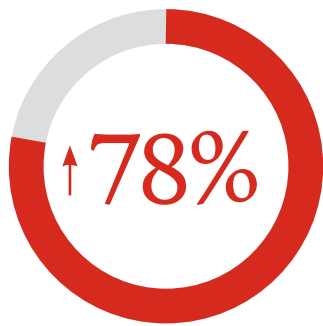
**PUT YOUR
SERVICE
TO THE TEST**



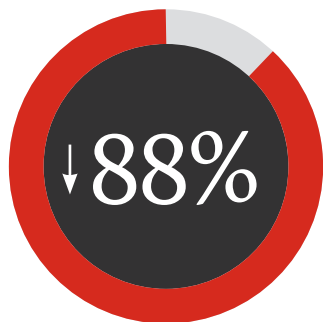
What is the average ROI for a TCR?

While overall investment is important, perhaps this is the more important question. And the answer is BIG. The average ROI for TCR implementation is dare we say... juicy?

- 78% of financial institutions that use TCRs have seen an increase in sales. *(Kinective)*



- 88% of financial institutions that use TCRs have seen a decrease in total FTE count. *(Kinective)*



WHAT IS THE AVERAGE ROI FOR A TCR?

You can measure the actual ROI you would see on a TCR investment with a few easy formulas:

To calculate potential time saved per year by adding TCRs:

$$((\# \text{ of TCRs} \times 2) \times 15) \times 260 =$$

estimated minutes saved each year

- The # of TCRs is multiplied by 2 because the average device is used by 2 associates
- 15 is the total minutes estimated to do end of day balancing with manual methods of cash handling
- 260 is the conservative estimate for number of working days in a year

To calculate potential money saved per year by adding TCRs:

$$(((\# \text{ of TCRs} \times 2) \times 15) \times 260) \times$$

average hourly rate for tellers =

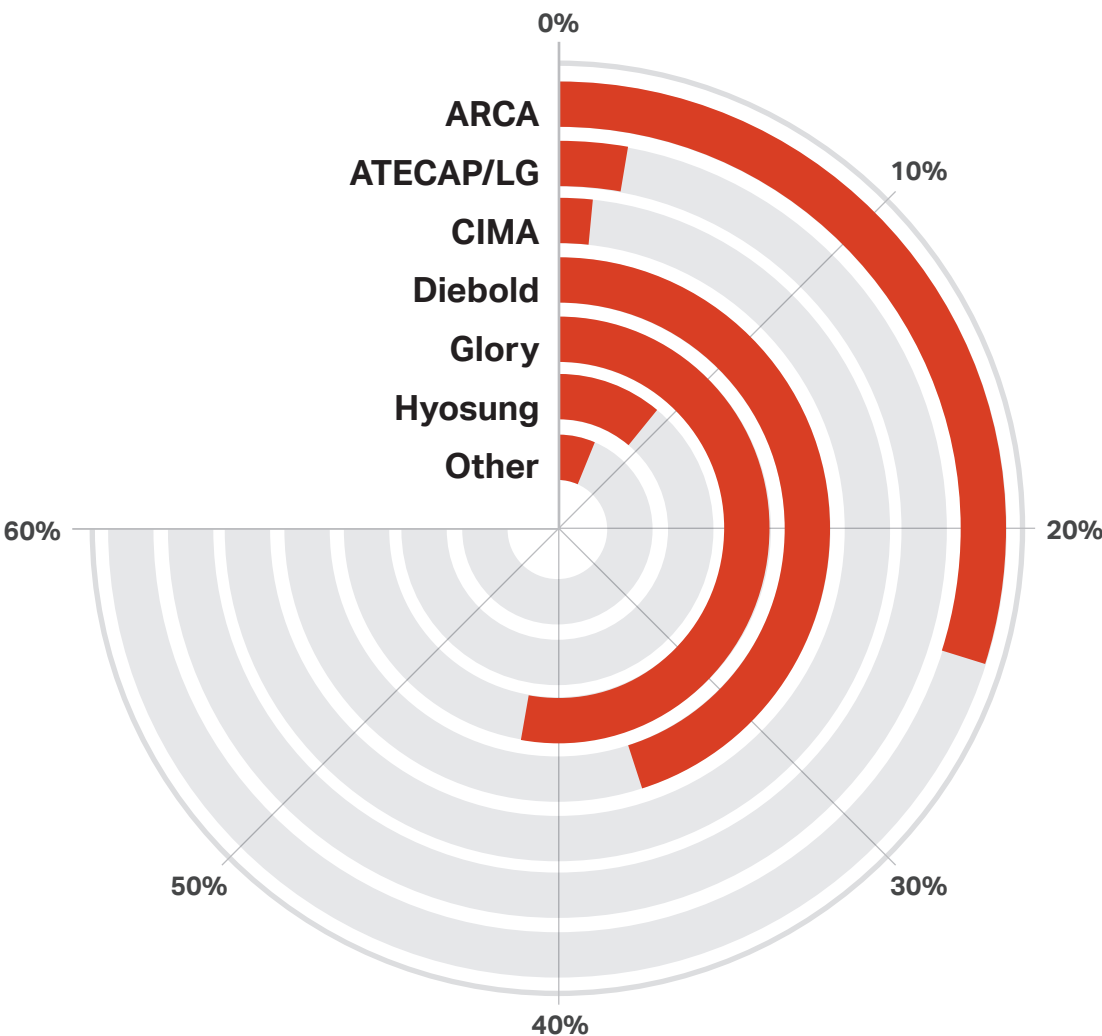
estimated potential money saved

- The # of TCRs is multiplied by 2 because the average device is used by 2 associates
- 15 is the total minutes estimated to do end of day balancing with manual methods of cash handling
- 260 is the conservative estimate for number of working days in a year
- If you do not know the average hourly rate for your institution, the average hourly rate of a teller in the US as of 2022 is \$15.

Are all TCRs created equal?

There are two categories to pay attention to when deciding which TCR is right for you: **the hardware and the software.**

There are lists worth of different types of Teller Cash Recyclers, but there are a few brands that tend to lead the pack in popularity. Based off research completed in 2022 by Kinective, the most popular brand currently being leveraged by financial institutions are:



ARE ALL TCRS CREATED EQUAL?

All of these brands offer different models of the TCR, each with their own features. Instead of listing the hundreds of devices here, we're going to list out some of the features you will want to look for when identifying the right device(s) for your branches.



Size of the actual device



Storage technology
(Rolled Storage Module vs Cassette)



Total note recycling capability



Any unique features
(like an overflow drawer or transit cassette)



Deposit processing time

Besides the variety in brand and hardware capabilities, one of the biggest differentiators between one TCR and the next is the software it leverages. There are 3 current software solutions available:

1

Standalone

2

Soft Integration

3

Direct Integration



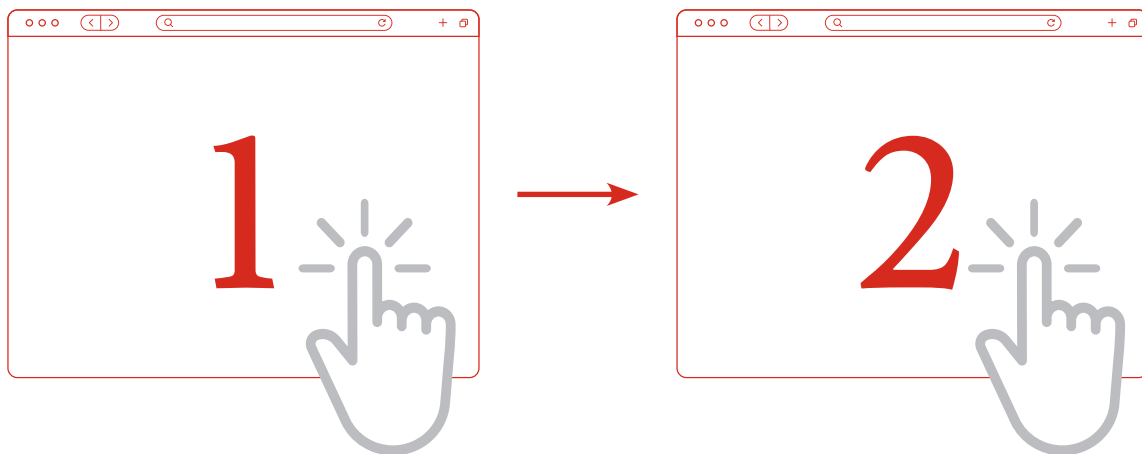
PRO TIP:

Before you even read about each below, you should know that Teller Cash Recyclers that are directly integrated are going to take the cake in popularity, efficiency, and all the other categories too.

1 Standalone

Simply put, this means that your staff would rely on a secondary application outside the Teller Application to interact with the Cash Recyclers.

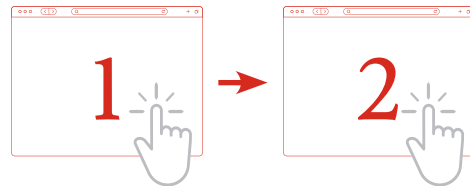
- When a client walks in and approaches an employee, that employee would first pull up the client in the Teller Application. For the most part they continue using the teller application just the way they used to, but anytime something needs to be done that involves the Cash Recycler (like a deposit or withdrawal) they would have a separate, secondary Software application open they would use to tell the device when to dispense or take in a deposit.



This isn't ideal since it requires dual entry and there is zero integration to your Core. Due to the lack of integration the device must be balanced at the end of the night by pulling reports from both the Teller Application and the Stand-Alone software application which is used to reconcile the device and validate that both systems are in balance. After validating there are no missed entries or errors that have occurred the staff member is able to balance by completing a mass vault buy/sell against the GL you assign to the Cash Recycler.

2 Soft Integration (Screen Scraping)

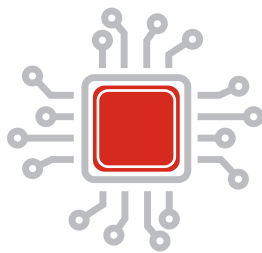
The biggest difference here is that the solution typically resides in the background of the Teller Application eliminating the need for dual-entry. Instead, after entering in the amounts to dispense or deposit your Staff would normally use an “F-Key” or a combination of keys to tell the Soft Integration to capture those entries. The device application then recognizes the fields that it is mapped to sniff out, and if there is an entry it picks up on it then scrapes that information from the Teller Application and communicates with the device, so it knows what to do and when to do it.



- The obvious benefits are that this can speed up the transaction speed by not requiring each dispense or deposit to be dually entered into two separate applications, and residually helps eliminate some of the human errors that can occur with the dual entry with a Stand-Alone application.
- Unfortunately, these solutions still do not balance your device to the core despite having the word integration in their name. Since there is still no integration to the core, this means you still must balance just like in the last scenario.

3 True/Direct Integration

This means that the application is essentially working as a Universal Translator between your Teller Application, the Cash Recycler, and your Core Platform. Now when a client walks in and your Banker pulls them up in the Teller Application, any cash related transactions codes are sent to the software solution, which then gets translated from Core Language to Device Language, allowing the Banker to leverage the Cash Recycler with native transaction codes that they use today and without having to rely on dual entry or screen mapping.



- Most importantly each transaction that is run on the device is integrated to your core. This requires no end of night balancing as everything stays in balance live, real-time.



- The only downside to this category of solution is that they can sometimes require specialized modules or API's from your Core, which can tend to take a little more time to implement and costs more. The final result however leaves you with the most efficiency gains and employees that can truly focus on selling as they never have to worry about balancing allowing them to become much more client focused.

Where do you get started?

1 Select the right devices for your branches

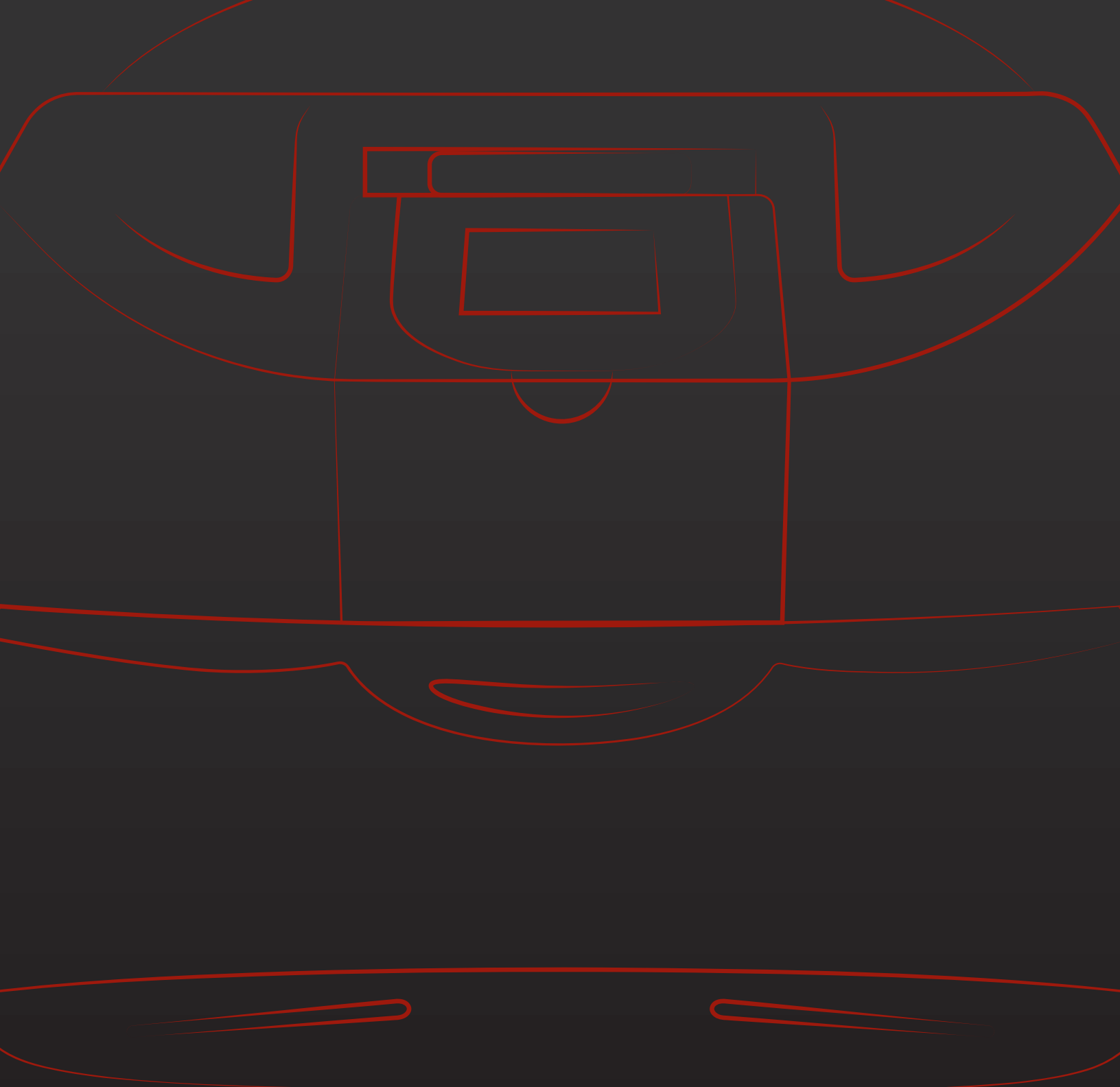
2 Purchase devices at the best rates on the market

3 Install the Recyclers anywhere in your branches

4 Choose the right software and use case for each device

5 Service and maintain your TCRs

6 And a whole lot more!



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