

# Retail Security:

## *5 reasons to think again*

Retailers could be exposing themselves to unnecessary risk if they overlook the security and efficiency benefits of cash handling machines. Nobody likes to admit that disloyal staff are pilfering money from the company, that counterfeit bills are slipping into the till, or that they are vulnerable to robbery.

by David Crouch

**R**etailers, the hospitality and entertainment industries, and any business making cash sales can save money and improve relations with staff and customers, thanks to the latest cash handling machines. This cash management technology replaces the till by accepting notes and coins, verifying and counting them, and storing them securely.

Below retail security expert, Frans de Wit, talks about common objections to the new technology – and how it can help you.

### 1 *“The store down the street was robbed last month, but...”*

Companies often seek advice on cash handling because they want to improve efficiency, Frans says. “But when we go in and talk to employees, it turns out that they are high on the local hit list to be robbed – everyone around is being targeted. Security is a big issue.”

Sometimes the danger is more obvious. Recently, a retail store was being robbed once or twice a month. The company was getting bad press and the union was up in arms because of the threat to staff.

“After they put in cash handling machines, they had two or three more robbery attempts that failed, and then it completely stopped. In their job advertisements they can now say they offer a safe place to work with a secure environment. The entire business case was made around security – also shrinkage has gone down and efficiency is up.”

An unexpected result of the company’s move to automate its cash handling was that a rival chain started to complain, because the robbers were targeting it instead!

### 2 *“My employees are loyal, surely they would never...”*

Shrinkage is not just a problem for your rivals. Globally, for example, recent surveys show that retailers lose \$128.5 billion in cash a year, with almost one-third due to internal theft and an additional 20% due to errors<sup>1</sup>. When you are hiring students or other temporary and inexperienced workers, shrinkage can become a headache, Frans says.

“I have seen supermarkets, for example, where managers spend two hours a day simply checking tills and security cameras because money is missing. In other environments, you have managers who check the managers who check other managers because they are being robbed by employees every minute.”

Many businesses are reluctant to recognize they have a problem with shrinkage.

“They feel ashamed – until we show the figures that demonstrate it is a global phenomenon,” Frans says. “But there are also managers who simply shrug their shoulders and think nothing can be done.”

When, however, the customer simply feeds their money into a machine and gets their change back automatically, staff are never in contact with the cash, preventing handling errors – and removing the temptation to help themselves.

### 3 *“Cash is so 20th century”*

Despite all the hype about the advent of a cashless society, cash volumes have never been bigger, Frans says. “Payment by mobile phone will dent it a little, but mainly it will take away from normal bank card payments.”

The figures suggest that cash is set to continue growing in the Americas, Europe, Asia, Africa and the Middle East – only in the Nordics is this not the case. The number of retailers worldwide is increasing and the total volume of purchase transactions – of which cash accounts for the majority – is rising.

So cash is going to be a reality for businesses for the foreseeable future.

“Faced with intensive global competition, retailers are increasingly likely to need cash handling solutions that offer better security, lower costs and improved productivity,” Frans says.

### 4 *“I use heavy glass to protect my staff and tills”*

Some retailers, and of course old-fashioned banks, favor erecting a barrier between staff and customers. But cash handling machines mean businesses can create an open retail environment again and transform their interaction with customers.

“Compared to five years ago, you now see a much more open environment in banks, with most of the cash in a self-service area with a machine that dispenses cash and takes deposits,” says Frans.

“You can apply the same philosophy in retail, where you can take down the physical protection and get out on the floor with the customers.”

Minimizing the threat of in-store robbery makes employees feel safer and takes the tension out of the retail environment. Managers taking cash to a bank are no longer walking targets, as deposits are now picked up by a cash-in-transit service.

External theft doesn’t just come in the form of an armed robbery. “Customers paying with counterfeit bills can be almost as costly to a business over time as a one-time hold up,” according to Frans.

Cash deposit machines at the checkout help prevent this problem by automatically rejecting fraudulent bills, while the cashier can avoid confrontation by simply blaming the machine and asking for another form of payment.

### 5 *“Technology is just a quick fix, my business is complex”*

Certainly it’s no good just looking at the technical specifications of different machines, says Frans. A balance needs to be struck between security and expense, while the technology needs to be integrated into point-of-sale and back-office systems.

An advisor therefore needs to sit down with the customer to understand the entire journey that cash makes through their business – what their day looks like, where they store the cash, how they get it to staff, how they delegate, whether tills are shared or separate, and how they reconcile the cash register with the actual amounts remaining.

“We go into the store, sit with them, and look at the real issues. Sometimes the head office doesn’t have an accurate view of what’s happening on the shop floor.”

The technology is flexible to suit individual businesses, with a large portfolio of solutions ranging from entry-level to complete closed cash handling systems. And the benefits are very likely to outweigh any teething problems.

“Efficiency improves, shrinkage plummets, robbery attempts are thwarted, data on the cash cycle is more readily available and counterfeit currency is rejected on the spot,” summarizes Frans.

<sup>1</sup>Source: Global Retail Theft Barometer 2013-14

## IN SUMMARY

### Why automated cash handling?

- Cash is continuing to grow worldwide
- Shrinkage is a global phenomenon for retailers
- Large gains to be made in operational efficiency
- Being a safe place to work makes recruitment easier
- Modern security systems operate in an open environment
- Technology integrates with POS and back-office

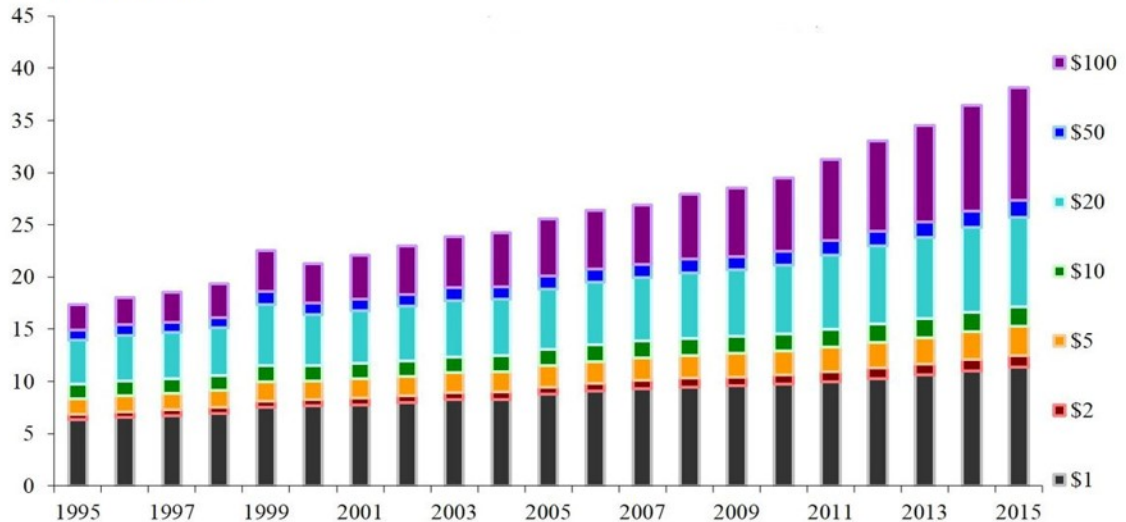
\*Frans de Wit works as a Global Product Manager and Cash Handling Strategist at Gunnebo. Frans has been active in the security industry since the mid-90s and has considerable experience addressing the security issues businesses have with both cash handling and the storage of valuables.

For more information on Gunnebo Cash Management Solutions, email us at [cashinfo.us@gunnebo.com](mailto:cashinfo.us@gunnebo.com) or call 513-874-3733.

## Volume of Currency in Circulation

(Billions of notes as of December 31 of each year)

Federal Reserve & U.S.  
notes quantity in billions



Figures show the number of Federal Reserve notes. U.S. notes, and currency no longer issued.

Excludes the volume of denominations larger than the \$100 note.

SOURCE: Board of Governors  
of the Federal Reserve  
System, February 5, 2016