

# Every Minute Counts

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Maximize the value of employees' time  
by optimizing currency management

# In retail, every minute counts. Every minute you spend with your customers can help boost your bottom line. Every minute you don't...doesn't.

## Labor costs are rising

Minimum wages in states and cities across the country are going up – and some have already begun. In states like Arizona, Colorado, Maine and Washington, minimum wages will increase between 43 and 60 percent in coming years.<sup>1</sup> With increases like these, labor is going to account for an even bigger portion of your operating costs.

Consider how a jump in the minimum wage to \$15 per hour would affect your business. With that in mind, how do you want your employees spending that increasingly expensive time? In any retail operation, there is always room to improve efficiency, but one area often overlooked is currency management.

For most retailers, currency management is dominated by manual processes and reports. They're time-consuming for stores to complete and get in the way of customer service. At corporate, managing and interpreting reports from stores and acting on their information is cumbersome and stressful.

### How do you want to spend \$15 per hour?

As minimum wage rates rise, you want your employees spending their time where it counts: with your customers. Minimizing back-office currency management labor is a great place to find more of that time.

For example, at \$15 per hour, just 30 minutes of an employee's shift per day per store for a retailer with 1,500 stores costs \$4.1 million. When their time is that valuable, you want your employees to make every minute count.

**30 minutes at \$15 per hour** × **365 days per year** × **1500 stores** = **\$4.1 million**

No matter how many stores you have, you'll need to find ways to cut the time you spend on manual tasks and reallocate it to activities that generate revenue. Read on to learn how.

<sup>1</sup> Minimum wage going up in 21 states, 22 cities. CNN.com. 2016.

## At your stores

In stores, there is a never-ending stream of tasks to accomplish: stocking, merchandising, ringing up transactions, taking returns, fulfilling online orders and helping customers. The list goes on and on, and stores have to constantly juggle priorities to make time for everything.

Currency management tasks in the store take time away from these priorities, but they're still a necessary part of doing business. These tasks don't typically *face* customers, but in the end, they do *affect* customers by keeping key employees behind a desk instead of on the floor.

### Reconciling and reporting

Daily currency management activities – like reconciling funds, preparing deposits and change orders, and completing reports for corporate – take time no matter how many registers you have. Even with just a few registers to account for and report on, the process can take 30-90 minutes, often at closing, with the employee remaining on the clock instead of performing other closing duties or signing out.

In a high-cash store with more than 10 registers, it can take several hours for store employees to complete currency management tasks. Because the employees you trust to handle your funds are often your most experienced team members, laborious tasks like reconciliation keep knowledgeable employees from helping your customers. Time with customers translates into sales: Harvard Business Review tells us that customers who have a positive experience spend 140 percent more over time than those with a poor experience.<sup>2</sup>

### Identifying and tracking loss

Errors and fraud are problems for any retailer because they can be so difficult to find and resolve. At the store, leaders can miss a pattern of cashier over/shorts because shift managers might not be consistent in how they track loss or might not have a secure way to communicate among themselves. By the time a trend is spotted, it's usually far too late to recover funds or coach an error-prone employee on how to improve. The moment is lost, and the funds along with it.

### Making every minute count

When your currency management is optimized, tasks are performed efficiently and consistently throughout your organization. The tasks that take 30-90 minutes or up to several hours today can be accomplished in as little as 15 minutes. Visit a few of your stores and observe how long your currency management procedures really take and how loss is really managed – you might be in for a surprise.

<sup>2</sup> The Value of Customer Service, Quantified. Harvard Business Review. 2014.

## At corporate

Corporate employees who deal with information from stores can spend their entire day chasing down reports from stores, aggregating the information they get from the reports, and investigating missing or incorrect data. Loss prevention, treasury, and operations leaders can all find themselves wasting precious time managing store reports and being delayed in acting on what they learn.

### Tracking compliance

Store compliance with corporate guidelines is an ongoing battle for most retailers. Even with a program of both scheduled and surprise audits, it's nearly impossible to know how closely policies are followed. Store reports might give you a glimpse, but for many retailers the only way to see what's going on in your stores is to visit for yourself – which means time away from the office and all your other duties.

### Managing cash accountability

Do you know if your stores cross-ship funds? Many retailers don't have firm policies on cash deposits and ordering, leading to cross-shipping and unnecessary bank and armored car fees. Do you have guidelines on how much cash a store should hold by day of the week and by denomination? Perhaps you have a minimum or maximum amount of cash a store should hold. How do you track that amount at each store so you can efficiently manage your cash at a corporate level? Some retailers gather this information only weekly or monthly – and some only annually – leaving opportunities for mismanagement or theft of funds at the store level in the interim.

### Preventing loss

When it comes to loss prevention at the corporate level, speed is everything. The faster you can spot loss at a store, track it and resolve it, the better chance you have to recover funds or eliminate the cause of the loss. Corporate users might wait days or weeks for information from stores on cashier over/shorts and other key loss prevention metrics. When corporate wants to investigate an issue, the time that's been lost makes it impossible for store employees to recall what occurred. The trail dries up and the funds are gone – and the fraud might continue until a trend can be established and investigated.

### Making every minute count

Optimized currency management at corporate means you have all the information you need from stores quickly, consistently and at your fingertips. With manual reports from stores and data aggregation by your corporate team, this is easier said than done. One plan of attack is to thoroughly reexamine your currency management policies to look for ways to tighten the time in which you receive store data and then streamline corporate processes for aggregating and managing the data.

## Addressing your challenges

The good news is that if you decide to tackle these issues in your organization, there are tools available to help. Take note of these guidelines to ensure you end up with a comprehensive currency management solution.

1. When you're researching your options, seek out a solution that addresses your challenges at both the store and corporate levels.
2. Investigate whether the solutions you consider can integrate with and add value to the technologies you already have in your stores or any new systems you might be planning to implement.
3. Ensure that store-level efficiency and automation are addressed by any option you review so that currency management isn't a burden for employees.

When your employees have a solution in place that frees them from tasks that don't boost your bottom line, they're able to spend more time with shoppers and provide world-class customer experiences. Take some time to investigate your currency management processes and policies, and then ask: Am I making every minute count?



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