

Cash management automatically adds customer value

“The Fujitsu Cash Management solution stood out from the competition, due to its high reliability and low support requirements.”

Paulo Santos – Vice President of Operation Executive Department, Banco Espírito Santo



SUMMARY OF KEY FACTS

Organisation

Banco Espírito Santo

Services delivered

Development, implementation and support of an advanced Cash Management solution and supporting tools to ensure a minimum level of quality of paper-based currency

Key metrics

- 150 branches

Benefits

- **Enhanced the customer experience** – saves over 70 minutes a day per operator so more time is spent on customer facing activities
- **Increased business agility** – faster and more precise transactions with dynamic reporting enables proactive cash management
- **Reduced costs** – the cost of cash handling has been reduced, with an average saving of 14% in cash management and 17% in cash transportation
- **Increased competitive advantage** – has freed-up staff time and floor space to cross-sell higher value products
- **Improved operational performance** – enables rapid balancing of accounts at the close of business, fewer human errors, faster training and easier staff management
- **Enhanced security** – reinforces security at the counter, reducing the cash loss from operators

Challenge

Banco Espírito Santo (BES) can trace its origins back to the second half of the 19th century, when it was originally established as a foreign exchange business. Having grown rapidly during the subsequent years, it is now the third largest financial institution in Portugal and has consistently been the country's most profitable bank.

BES obtains its funding from deposits and savings which, together with its own funds, is invested in loans, securities and other assets. In addition, BES provides a broad range of financial services both in its domestic market and abroad, through a network of more than 700 branches in Portugal, international branches in London, New York, Madrid, Sao Paulo, Luanda, Warsaw and Macau, among others.

In 2000 the European Central Bank (ECB) introduced a new regulation that by 2010 all banks operating within the European Union must have implemented a Cash Management solution to ensure a minimum level of quality of their country's paper-based currency ie. bank notes. In practice this means that all banks must 'clean' their money on a regular basis and ensure that a certain level of quality is maintained on its size and level of wear.

Solution

Following an initial evaluation of Cash Management equipment from six companies, BES short-listed four possible suppliers. It then installed each of the proposed cleaning systems in a real counter environment where they were tested for three months and compared to the bank's own human cash operators.

As a result, having considered around 80 different factors, BES chose to implement Fujitsu's RBU-10 advanced Cash Management solution. Paulo Santos, Vice President of Operations, Banco Espírito Santo, comments *“The Fujitsu solution stood out from the competition, due to its high reliability and low support requirements.”*

The RBU-10 Cash Management machine, which was designed and produced in Fujitsu's factory in Spain, detects and ensures that 'defect' money stays within the machines and so it also acts as a deposit safe. It can be used simultaneously by two cashiers and is integrated with the bank's front-office systems and business application. The machines, which weigh between 400-1700 kilograms (depending on how 'loaded' they are), can also be connected to the bank's surveillance and alarm systems.

As well as this the state-of-the-art equipment, Fujitsu's Portuguese team also developed a bespoke software application and software tools, based on a .Net-platform, to manage everything from monitoring the amount of cash in circulation and its condition to the production of periodic statistics and reports when required by the operator. The tool also provides

real-time, on-line access to information about the status of the machines, such as alerts and maintenance requirements, arranges the machine's data in a format that is ready for use and calculates the total amount of cash available in the recyclers.

Fujitsu is also providing training for the end-users, as well as providing on-site technical engineers during the individual start-up periods. In addition, Fujitsu is providing general break fix support and on-site services for the equipment and helpdesk services and second line (and onward) support for all issues related to the Cash Management solution.

BES in Portugal is one of the first banks in Europe to adopt and deploy a solution to meet the new Cash Management regulations. Paulo Santos explains, *"The first equipment was installed in September 2007, all according to the original timetable. This has never happened before."*

In the 16 months since the project first started around 150 branches have now gone live with the new system, although this is shortly expected to rise to around 165 branches and the system will eventually be deployed in all of BES' 600 branch offices, the ones that currently provide cash operations to customers.

Paul Santos says, *"The installation of the Fujitsu Cash Management machines has enabled BES to reinforce the politics of cash recycling and ensure compliance with the current guidelines regarding the certification of bank notes. The platform's innovative use of remote equipment monitoring also adds additional value for BES because it is a fundamental requirement for the efficient management of such equipment."*

Fujitsu's Cash Management solution will eventually be made more widely available to the entire European market.

Benefits

The introduction of Fujitsu's new Cash Management solution is enabling BES to:

- **Enhance the customer experience** – automated cash management saves over 70 minutes a day per operator at each counter, allowing them to do spend more time dealing with other customer facing tasks and activities
- **Increase business agility** – faster and more precise transactions with dynamic reporting enables proactive cash management, as well as more flexibility when loading cash in ATMs and, consequently, a reduction in the number of trips by securities transport fleets
- **Reduce costs** – the cost of cash handling has been reduced, with an average saving of 14% in cash management and 17% in cash transportation, and has also reduced expenditure in areas such as 'robbery insurance' and vault handling personnel
- **Increase competitive advantage** – a smaller counter design and greater automation have freed-up staff time and floor space to cross-sell higher value products
- **Improve operational performance** – enables rapid balancing of accounts at the close of business, fewer human errors, faster training of new counter operators and easier management of human resources
- **Enhance security** – reinforces security at the counter, reducing the cash loss from operators.

"As well as improving efficiency in accepting, dispensing and recycling bank notes and generally controlling cash, the integration of Fujitsu's Cash Management equipment with the furnishings of the new, smaller counters and the corresponding security measures will free-up our cash handling employees so that they can orient their work to the management of customer accounts and the sale of new products," comments Paul Santos.

"The equipment is also proving to be as reliable as we certified in our original evaluation tests. Our users confirm its resilience against any mechanical glitches, which is a major advantage compared with the other equipment we still have working in our counters. Its simple mechanics and the informative display in the front desk are also key to the work of the cash operators, while the high storage capability makes the internal cash movements easier and less frequent."

Approach

Rather than providing a purely technical solution, a key aspect of Fujitsu's approach to developing the Cash Management solution for BES was its focus on the bank's overall business needs, including how it could maximise the resulting market opportunities, competitive advantage and return of investment (ROI).

In particular, the initial roll-out was aimed at those branches with the highest number of cash transactions in order to generate the maximum benefit in the shortest possible timeframe. In addition, when implementing the new solution, Fujitsu installed approximately four units a day, all outside of the bank's working hours, in order to minimise any disruption to business and enable the branches to be fully operational the next day.

"Fujitsu has always showed a proactive and interested attitude," explains Paul Santos. *"From the beginning, we presented challenges to the company and they were all surpassed, because we worked in a strong partnership to try and find good solutions for both companies, namely in the changing of usability rules, on the remote monitoring solution and, in the end, in the efficiency of the rollout."*

Expertise

Fujitsu has over 40 years experience of supporting the needs of customers, including 20 years working with the leading Portuguese financial institutions on the successful introduction of new technologies. As a result, it has a proven track record in providing complex systems integration and application development and management services that reduce costs, improve productivity and customer services and deliver a compelling return on investment.

Paul Santos comments, *"Fujitsu was chosen because it was a solid partner with know-how in the financial services sector and with an efficient solution to the new cash management challenge."*

ASK FUJITSU

Contact us on +44 (0) 870 242 7998 or
askfujitsu@uk.fujitsu.com or visit uk.fujitsu.com