

The cost of cash at the POS - A case study

Experiences of pay.pod™ in a bakery retail outlet

Introduction

In today's consumer dominated food retail markets where range of choice at market determined price points are typical aims for any food retailer, today the aspect of hygiene must also be considered. Obtaining a 5 star hygiene rating for your shop/restaurant premises can go a long way to promoting your business as one of preference over a competitor without such a high rating.

The combination of handling food products as well as cash has long been an issue in food retailing. Cash, both paper & polymer banknotes as well as all coin denominations are known to harbour some pretty unsavoury germs and contaminants. France, Spain and now also Italy has begun to embrace payment technologies that avoid serving staff from having to handle both food products as well as cash.

Whilst POS recycling payment terminals have been around for a few years now, the integration aspect has been a show stopper due to the software development costs involved per different EPOS system.

Crane P.I. has developed recycling technologies that are used by many OEM providers on a modular basis. Crane P.I. has now launched their own version of said technology packaged as a complete product – pay.pod™.





Pay.pod™ is unique in that it utilises a proprietary software link –called POSLink that is capable of instantly interfacing to any Windows® based EPOS software system. This enables a plug-and-play basis for providing a trial unit or a complete installation rollout to a food or indeed to any retailer.

Experience gained with this technology is however showing far greater benefits than that provided by better hygiene!

Food retailers are beginning to see massive cost saving benefits when it comes to cash management processes such as till cashing up, discrepancy management, cash procurement, banking preparation and other aspects such as deliberate or accidental shrinkage.

Pay.pod™ the product

There are 2 versions available (see image right) - a built –in (embedded) version that would be built into existing serving furniture at a check-out counter or a Hybrid version that is designed to be simply bolted to an existing POS serving counter mostly negating the requirement to alter existing furniture.



Case study

G+D recently installed a trial unit into a traditional bakery business in Whitby, North Yorkshire.

E. Botham & Sons Ltd was established back in 1865 and is a thriving business based around retail outlets, cafes, tea rooms as well as wholesale distribution. According to Mike Jarman the MD of Bothams, their success is based upon their unique traditional recipes for most of their products that produce a very strong and loyal customer base that is actually world-wide.



In Whitby, Bothams have an all year round regular customer base that is augmented in peak tourism times. Tourism in Whitby runs from April until October every year. Whitby has developed into one of the prime resorts of N. Yorkshire boasting aspects such as Captain Cook's home port, Dracula links (Whitby providing a lot of inspiration to Bram Stoker as he wrote the Dracula story) with busy Goth Weeks, folk weeks, Whitby Regatta as well as attractions like the famous Whitby Abbey ruins that inhabits the site where the Synod of Whitby set the date of Easter for the entire world back in 664AD. Such attractions can bring a lot of tourism to Whitby and this can cause long queues inside the Bothams famous tea rooms, cafes and shops.





Keen not to lose business because of an in-shop queue, Bothams are always striving to improve the customer experience to ensure that they always come back for more!

Pay.pod™ is helping tremendously to shorten queuing times.

The Botham's retail outlets have a very high percentage of cash payments compared to card (over 90%). Being a traditional business, most cash handling aspects within Bothams are based upon trust and manual processes and as such had never been a focal point for profitability. However, operating in a food service industry in a small town now swamped by the major supermarket chains as well as a plethora of small tourist type cafes (not to mention fish and chip shops), Bothams wanted to focus on hygiene and wanted to strive to maintain their 5 star hygiene rating, being more than aware that customers have a choice of where they eat or purchase their food.

The problem of handling both cash and food produce has always been a concern that demands the use of gloves and plenty of hand washing, all of which detracts from the main activity of serving their customers in a fast and convenient manner.

Pay.pod™ was a solution to their identified main requirement.

However, what they did not realise were the spin-off benefits in terms of much less manual cash handling requirements and the efficiencies this brings.

By setting a retention float that will remain inside the pay.pod™ (this being mainly all the coin and a set amount of a few £5 and/or £10 notes) the recycling banknote mechanism can be cashed down into the receiving cassette for removal at the end of the trading day for further processing. The amount of cash is known precisely, usually only requiring minor coin re-floats.

According to Mike, this aspect alone is saving the shop managers some 30-45 mins per day allowing them more time to serve customers. The time saving in their HQ to prepare daily floats for each store and ensure that there is enough coin in the business to supply adequate coin floats has more-or-less disappeared as a requirement.

Combine this with the fact that the banknotes are also recycled throughout the day and that the end-of day cassette content is known precisely, the HQ finance/admin staff have a far simpler time to balance and prepare the banknotes for banking.

Another major aspect that has more or less disappeared is the requirement to find discrepancies, which used to be a daily occurrence demanding many hours per week of staff time. Discrepancies now are mainly found in the incorrect deliveries of small sacheted coin from the bank!! If a pay.pod™ has to be re-floated with coin, the prepared small sachets of coin from the bank are simply poured into pay.pod™ in an admin mode without the need to open up pay.pod™ to gain internal access. Here pay.pod™ soon discovers that the sachet content is not as stated by the bank!

Discrepancies induced by either staff inaccuracy or shrinkage have stopped completely and has proven to be an absolute bonus to the business.



Again Mike states that this is saving his HQ finance /admin people hours of work per week allowing them to focus on other business development activities. By receiving daily on-line reports through their EPOS system, Bothams now have a much clearer, quicker overview of the cash within their business.

If average bakery wage scales are assumed, Bothams are looking at the following Return –on- Investment model for a single retail outlet, where a single pay.pod™ unit is utilised between two EPOS terminals.

Benefit received	Amount per month
Employee time savings (re-floating, cashing up, glove removal & hand washing)	£150
Management time savings (cash balancing, discrepancy management, banking preparation, coin change orders collecting from bank)	£200
Quicker transaction times (extra business effect)	£170
Reduced shrinkage	£150
Total Annual Benefit	£8040

For a typical installation, this will produce an ROI of less than 1 year.

With ever increasing manpower costs, it is becoming essential for Bothams to streamline their operations, reduce operating costs and boost profits.

Customer acceptance has so far been extremely positive. Most customers are these days used to self-service checkouts or self-barcode scanning devices that lack human interface but are used to speed up customer throughput. Pay.pod™ still retains the full face-to-face customer service experience that most customers enjoy.

Pay.pod™ is helping Bothams to have less cash tied-up within their system, lower costs, reduce losses, achieve faster access to funds, and improve information management. Their customers are being served more quickly in a 5 star hygiene rating store with fresh produce that is not at the risk of cross contamination from dirty cash. Their staff are happy about not having to change gloves and wash their hands so frequently throughout the day as well as having a more secure feeling with not having to handle cash and the risks involved.

For Bothams, pay.pod™ is a simple investment choice.