

[IDEAS 2 GO]

A Safe Bet

A retailer's bottom line benefits from advances in intelligent safes.

BY JERRY SOVERINSKY

When California-based G&J Acquisition sought to bolster the bottom line at its 25 gas stations and convenience stores, it turned its attention not toward improving future sales (via enhanced customer service, expanding its foodservice or implementing fuel-price optimization software), but rather by ensuring that its existing sales all reached...well...its bottom line. And for that, it focused on the company's cash-handling techniques.

"According to the most recent numbers, U.S. retailers are losing about one percent of revenue due to shrinkage," said John Rhoads, vice president of business and product development at Houston-based Loomis Armored U.S. Inc., a company that offers cash management solutions for retailers.

Rhoads believes much of this loss can be attributed directly to theft. And while the traditional orange safe served as an adequate external deterrent to customers, it didn't often address internal (employee) theft. Additionally, there are risks associated with traditional cash-handling techniques, from which additional (non-intentional) shrinkage occurs. For both of these concerns, Rhoads offers the intelligent safe as an integrated solution for retailers.

"A typical bill gets counted several times," according to Rhoads. "When it's in the till, at the end of the shift, by a manager prior to a deposit, during the deposit...each one of these is labor-intensive, not to mention an area where shrinkage can take place. [Intelligent safes] automate the entire process and tie into a

retailer's POS. [Employees] touch the bills one time, feed them into a safe, and everything else is automated. It's a huge labor savings. It integrates into the financial system; it's cash handling with security."

In addition to security and labor savings, intelligent safes also serve as counterfeit validators. Companies like Loomis stand behind their product — its SafePoint Solution is guaranteed against counterfeiting — another reassurance for retailers.

With many products on the marketplace, there are several distinctions to note, according to John Angove, senior vice president of sales for New Albany, Indiana's FireKing Security Group, a manufacturer of safes and other cash-handling products.

"With network connectivity, the ability to maximize technology is important," said Angove. "We used to be limited to telephone lines. The safes were trying to move large packets of information across slow lines and they were competing with clerks picking up the lines, credit card transactions...it was very difficult. High-speed wireless connectivity...allows management to drill down into the store on a regular basis and see that our drop's being made."

Additionally, many banks now offer "credit from the safe," a vital resource for retailers, especially in today's tight cash flow environment. Once the money is deposited into the safe, it's considered

DID YOU KNOW?

The PCATS AutoSafe Working Group has developed standard messages for how smart safes and in-store and offsite services communicate. Safe vendors have helped the industry develop and adopt these standards, which will help retailers save on new safe implementation expenses. For more information contact John Hervey at jhervey@pcats.org.

part of the retailer's bank account. "The safe can then become an on-ramp to your bank account," Angove noted.

As for G&J Acquisitions, since adopting Loomis's SafePoint Solution in September 2006, its bottom line has indeed increased.

"We cut our managerial payroll by 50 percent," said G&J's General Manager, Kyle Takaki, in a case study that Loomis released. "We used to have one to two counterfeit bills passed per month, now we've only processed one in two years. Our banking fees are down about 50 percent...and most importantly, there [are] no more missing funds from any of our locations." ■

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Ringing Up Savings

How much are you losing from your register? Loomis offers its SafePoint calculator as an online tool that sheds insights into labor and shrinkage cost-savings opportunities: www.loomis.us/SafePointCalc.html.