

# EXPRESS CASH RECYCLERS INCREASE EFFICIENCIES FOR NEW ENGLAND'S LARGEST BANK



WEBSTER BANK  
WATERBURY,  
CONN.

Webster Bank cut cash transaction times by 37 percent, reduced teller cash levels by 60 percent and decreased daily buys and sells by 50 to 75 percent.

As financial institutions seek to streamline operations and improve productivity, more are adopting teller automation solutions. Wanting to achieve these same efficiencies, executives at Webster Bank installed 99 Diebold 228 Express Cash Recyclers (ECRs) at branch locations across the bank's service area.

## About

Since 1935, when 24-year-old Harold Webster Smith established the lending institution with just \$25,000, Webster Bank has grown to become a leading regional bank. Today, Webster Bank has \$17.5 billion in assets, more than 180 banking offices, more than 490 ATMs, and about 3,000 employees in Connecticut, Massachusetts, Rhode Island and New York. The bank offers a wide range of products and services to consumers and businesses, all delivered with the personal attention of a local neighborhood bank.

## Solution

Diebold installed 99 ECRs at 47 Webster Bank branches to help improve teller efficiency, reduce transaction times and increase available time for tellers to engage in sales opportunities with customers. The ECRs have helped reduce cash deposit and withdrawal transaction times by more than one-third.

## Cash recycling technology provides greater control over cash within a financial institution, while reducing inefficiencies associated with traditional cash operations.

### Cash Recycling Enhances Transaction Efficiency

Webster Bank wanted to speed up transaction times to provide better service for its consumer and business customers in Connecticut and Massachusetts. Improved transaction efficiency would not only help move customers through lines more quickly, but it would also give tellers more time to sell additional bank services to those consumers.

New England's largest independent commercial bank contracted Diebold to install ECRs at 47 of its branches. Bank officials chose branches that typically experience the highest volume of cash transactions, as they believed those locations would garner the most significant benefits from cash recycling.

Cash recycling technology provides greater control over cash within a financial institution, while reducing inefficiencies associated with traditional cash operations. With its small undercounter footprint, Diebold's ECRs accept cash, verify authenticity and sort by denomination at the point of transaction. Acting as an extension of the vault, ECRs are fully secure, safeguarding cash deposits. The units dispense that same cash for customer withdrawals. Because the units act as vaults, bank tellers are able to manage buys and sells on their own, without the traditional dual controls that require the services of a vault teller as well as counting bills by hand multiple times. The result, productivity is maximized allowing tellers to focus on the customer's needs.

Less time devoted to cash counting and balancing gives Webster Bank tellers more time to build customer relationships. While ECRs replace the tedium of cash counting, tellers can focus on sales and service to better meet customers' needs. They now have time to inquire about their customers' personal saving goals or recommend new services such as money market accounts and certificates of deposit. This ability to deliver more personalized attention can lead to stronger customer relationships that result in more profitable business opportunities.

"Our goal was to reduce the handling time of cash transactions," said Carol Loughrey, vice president, retail operations manager, Webster Bank. "The ECRs make



tellers more efficient, giving them more time to spend talking with our customers and truly improving the quality of the service that we're offering."

### Data Reveals Surprising Efficiencies

Going into the ECR installation project, Webster Bank knew it would reduce transaction times – but not by how much. Working with Diebold, bank officials analyzed its cash deposit and cash withdrawal transactions.

In less than one month, average transaction times for completing cash deposits into checking and money market accounts dropped 36 percent for Webster Bank after installing Diebold's ECRs. In addition, the bank realized a 22 percent increase in transaction efficiency for check cashing transactions.

Webster Bank was very pleased with these results. However, both Diebold and the bank knew cash withdrawal times could be reduced even further. Using a Lean Six Sigma approach, the parties engaged in a review of the bank's current procedures and identified areas in which it could realize additional time savings to achieve maximum efficiency. The resulting recommendations led to new standardized procedures that ultimately helped the bank reduce cash-back withdrawal transactions an additional 15 percent. That's a 37 percent improvement from the original transaction average.

In addition to the significant reduction in transaction time realized, Webster Bank found it was able to reduce teller drawer cash levels by 60 percent.



The additional reduction in check cashing transaction times is due, in part, to a procedural change that allows tellers to let the Diebold ECRs automatically determine best mix of bill denominations for withdrawals. This eliminates the need for tellers to enter a specific number of bills for each denomination. However, tellers still have the option to provide customers with specific denominations if requested.

In addition to the significant reduction in transaction time realized, Webster Bank found it was able to reduce teller drawer cash levels by 60 percent. Because the ECRs serve dual functions, as vaults and recyclers, tellers need less cash on hand and the recycler reduces the number of cash trades needed in the branch. In fact, Webster's branches are realizing a 50 to 75 percent decrease in daily buys and sells after installing the Diebold ECRs. As an added bonus to tellers, lower cash amounts in drawers means a significant reduction in the time it takes to balance at the end of a shift.

### Tellers Benefit from Cash Recycling

Webster Bank branch managers are pleased with the efficiencies realized by implementing cash recycling technology, and tellers are even more thrilled with the technology.

Many of the comments received from tellers indicated a reduced level of stress in conducting their jobs. That may very well lead to improved job satisfaction and employee retention. Teller comments included:

- *"I've been counting for 19 years. I'm thrilled I no longer have to count anymore."*
- *"It's great. We don't have to worry about outages any longer."*
- *"I love it. It's easy to use and simple to learn."*

The efficiencies realized by installing Diebold ECRs have helped Webster Bank meet its goal of increased teller face time with customers. Tellers no longer need to spend time counting cash and can instead interact with customers and offer additional bank products.

In addition, tellers are better able to cope with the long lines that congregate during busy bank hours, knowing that the lines will diminish more quickly now that ECRs are in place.

#### Raw Data Reveals Efficiencies\*

Transaction Activity	Percent Reduction	Annual Average Time Savings per Branch
Cash Deposits	36 percent	329 hours
Cash Withdrawals	37 percent	487 hours

\* Data collected during Diebold's Lean Six Sigma event.

## Looking Ahead

Looking to maximize the value adding potential of its teller automation project, Webster Bank is continuing to test and implement improvements identified through the Lean Six Sigma process. Additional sites are also being evaluated for future Diebold ECR installations that will help improve customer service and cash flow throughout the branch.

Webster Bank follows its brand promise of “We Find a Way.” Through the installation of Diebold’s ECRs, the bank has certainly found a way to improve customers’ experiences, and in the process, realized operational efficiencies for its branches.

## Cash Recycling Benefits

By implementing Diebold 228 Express Cash Recyclers in 47 of its highest cash volume branches, Webster Bank realized the following benefits:

- **Faster and more accurate transactions** – Cash transaction times were reduced by more than one-third.
- **Elimination of teller cash counting** – Tellers let the machines do the counting so they can focus on customer service.
- **Increased customer face time for cross selling** – With less time devoted to counting cash, Webster Bank tellers have improved customer service and interaction.
- **Reduction in balancing time due to lower cash amount in drawer** – The bank reduced teller drawer cash levels by 60 percent.
- **Employee satisfaction** – Tellers have less stress related to money counting and handling.
- **Reduced robbery exposure** – Diebold ECRs reduce exposure of cash throughout Webster Bank branches and limit tellers to accessing minimal amounts of cash at a time. In addition, ECRs provide vault-level security to teller stations as the units are equipped with UL 291 Level 1 safes.
- **Enhanced counterfeit detection** – ECRs inspect notes for authenticity, and the bank has identified several counterfeit notes directly at the point of contact.

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Contact Information:  
Diebold, Incorporated  
5995 Mayfair Rd  
North Canton, Ohio 44720

E-mail: [info@diebold.com](mailto:info@diebold.com)  
[www.diebold.com](http://www.diebold.com)

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