



**The following article on Robbery Prevention and Cash Management will appear in the Summer 2007 issue (Vol. 22, No. 3) of The Hayes Report on Loss Prevention's newsletter.**

*Cash Management Systems - - -*

### **From Robbery Prevention to Cash Management**

***History of Robbery Prevention:*** In the mid 1970's armed robbery increased dramatically in convenience stores as a result of extended hours of operation to 24 hours per day. 7-Eleven stores, one of the first convenience store chains to extend its hours, found itself a frequent target of armed robbers. Frustrated with its inability to ward off robberies in its stores, the company hired an independent consultant to investigate what could be done to reduce the incidence of armed robberies.

During the investigation, convicted armed robbers were interviewed regarding why they chose a target and what they would consider effective preventative methods employed by retailers. The results were both surprising and logical. The most important factor cited in targeting a store was "convenient" access to cash. The typical expectation was a quick robbery that would net over \$100 in cash. Listed first as the most effective preventative method, over security cameras, bullet proof glass, and armed guards, was **to reduce the amount of cash available to under \$30.**

***The Introduction of the TACC:*** 7-Eleven began installing its proprietary Timed Access Cash Controller (TACC) in response to its consultant's findings. TACCs enable a store to keep less than \$30 in the till, mostly in coins and small bills. Additional small bills and rolled coins are stored in the TACC which could vend a maximum of \$20 every two minutes. The vend capability allows a clerk to make change for customers paying with a larger bill. Once received, the larger bill would immediately be deposited into the TACC. The TACC and its two minute time delay resulted in robbers netting approximately \$50 at most: \$30 or less kept in the till and one vend of \$20. The end result - a dramatic decrease in armed robberies in 7-Eleven's stores; and the TACC became the industry standard for robbery prevention in convenience stores and gas stations worldwide over the next 25 years.

***Technology and Engineering Transforms Robbery Prevention into Cash Management***

Over time, retailers installed sophisticated point-of-sale (POS) systems that track sales, manage inventory, and tie into financial accounting systems. Progressive operators realized that although a sale is recorded in a POS system, all the cash did not necessarily make it into the till and/or TACC. “Shrinkage”, commonly associated with employee theft, takes place through both actual merchandise and cash shortage. Cash shrinkage has been measured to be in excess of 1.0% of a convenience store’s sales. This cash shrinkage drove the development of a new generation of Cash Controllers such as Tidel Engineering’s Sentinel and BCD cash management systems that integrate the Cash Controller into a store’s POS system.

The integration of the Cash Controller and POS system enables a store to close the loop of a transaction and provide accountability of cash. Each transaction identifies which employee transacted a sale, when the sale occurred, and how much should be in the till if cash was not deposited into a note acceptor in the Cash Controller. **Convenience stores have reported decreasing cash shrinkage by as much as 50% once a cash management system has been implemented.** Once again, robberies - this time internal - are on the decline.

***From Cash Controller to Cash Management:*** Even more importantly, however, is what was initially deemed to be ancillary benefits and cost savings is now driving the mass implementation of new cash management systems. Major benefits and cost savings include:

- Integration of the POS system and Cash Controller provides immediate reconciliation of sales and cash:
  - a. cash deposited or vended is reconciled immediately
  - b. manager time is reduced (up to two hours/day) for sales reconciliation and bank deposit preparation
  - c. immediate uploading of real-time data to corporate headquarters
  - d. frequency (i.e., cost) of armored car service is reduced
- Note acceptor and dispenser benefits:
  - a. currency is validated through the note acceptor which reduces acceptance of counterfeit notes
  - b. high capacity acceptors and dispensers are available
  - c. debit card cash back transactions can be done without keeping large amounts of cash in the till
  - d. most major global currencies are supported
  - e. eliminates in-store counting of cash

Further, as the cost of rolled coins increased, engineering for ***bulk coin dispensing*** was completed in 2006. Dispensers provide the flexibility of dispensing coins in any

amount and can hold 400% to 500% more coins than rolled coin systems. Bulk coin dispensers eliminate the cost of coin rolling and handling.

***Continued Evolution of Cash Management:*** Presently, manufacturers of cash management systems are continuing the development of methods to check-in and check-out cashiers without a human touching the cash. The next generation of cash management automation envisions cashiers inputting their PIN and pressing ‘Start Shift’. All notes and coins are then automatically dispensed. At the end of a shift, notes are deposited into the note acceptor and coins are dumped into a coin counter/sorter and returned to cash inventory for later use. Such a system would result in complete clerk accountability of cash handled. Today, more and more retailers are realizing that Cash Controllers are an important tool for increasing bottom line profits.

*(Editor’s Note: This article was produced with the assistance of Jack L. Hayes International, Inc. For additional information, visit their website at [www.hayesinternational.com](http://www.hayesinternational.com).)*

Tidel, a wholly owned subsidiary of Sentinel Technologies, Inc. (a private holding company), has been a manufacturer of cash security equipment designed for specialty retail marketers since 1978. Tidel designs and manufactures products for cash security and robbery prevention, as well as retail cash management. To date, Tidel has sold more than 200,000 systems in the U.S. and over 40 other countries. Tidel provides a 24-hour, 7-day customer service center and offers customer service and support in over 120 countries worldwide. Information about the company and its products may be found on the company’s website at [www.tidel.com](http://www.tidel.com).

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