

Case Study

Rising Above Cash Demand Changes: Cash-Handling Business Case Study

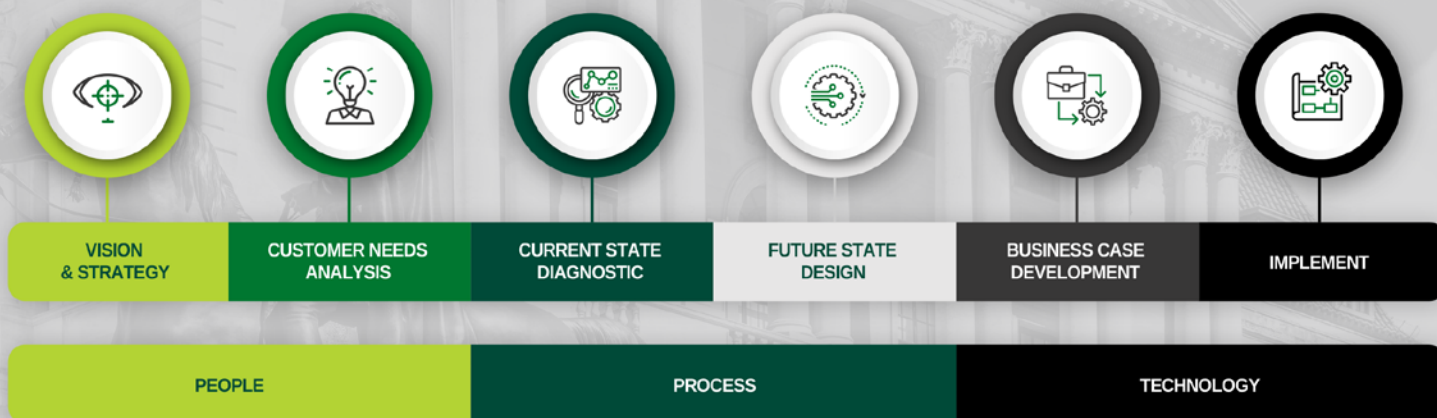


Developing a New Operating Model to Cope with Evolving Cash Demands

Executive Summary

By 2027, only an estimated 16% of transactions in the UK will be through cash, meaning a significant drop in volumes long-term for businesses that process cash over the counter. A cash-handling client that had just launched a new service allowing banks to use their outlets as banking counter services now faced two issues: to manage a huge influx of cash over the next few years, and to review their operating model to navigate the evolving use of cash.

The client brought Reinvigoration in to conduct an in-depth review of their Supply Chain Operating Model to ensure their infrastructure could cope with the massive volume changes. Reinvigoration built a simulation model to emulate all the cash flow across various scenarios, with stress testing based on multiple factors. Find out how Reinvigoration was able to predict cash volumes in the future and recommend different operating models to enable the client to manage the flux.



Client Overview

The client is a cash-handling business that operates over 11,500 high street outlets. It had just launched a new service to allow banks to use their outlets to operate as the banks' own banking counter service.



The Challenge

By 2027, only an estimated 16% of transactions in the UK will be through cash, meaning a significant drop in volumes long-term for businesses that process cash over the counter. The client, however, had launched a new offering to banks, allowing them to use their 11,500 high street outlets as their banking counter services.

This meant that a huge influx of cash would need to be processed over the next few years until the reduction in the use of cash in society hits. The client needed to conduct a deep review of its Supply Chain Operating Model in the face of this evolving use of cash to ensure its infrastructure could cope with the massive changes in volumes.



The Solution

The client brought Reinvigoration in to conduct an in-depth review of cash in society as a whole and strategically assess what has happened in countries globally to signpost what is likely to happen in the UK.



How Reinvigoration Helped:

- Built a simulation model to emulate all the cash flowing through our client across a range of scenarios, with stress testing based on a range of factors and variables.
- Predicted what was going to happen with volumes of cash every year for a 10-year period and what operating model was best to manage this flux.
- Validated this cash volume model with a range of samples over time, comparing the forecast to actuals.

The Outcomes

Reinvigoration helped the client to:

- Predict the impact on 11,500 high-street outlets, 5 Cash Centres, and 300 armoured vehicle crews.
- Hold conversations with all the industry operators and set strategic commercial agreements that would see the client move between a series of different operating models over time to cope with demand.
- Plan strategies to apply internal efficiency improvements, short-term outsourcing, medium-term partnerships, long-term joint ventures, and pure mergers.





The Conclusion

Reinvigoration was able to help the client by creating a simulation model to anticipate the changing cash demands over the next decade and pick the best operational models to be used over time to deal with the flux. This means that the client is able to fluidly adapt their operational model and not be caught off-guard despite the rapid changes coming their way.

Learn more about
how Reinvigoration
can help you, visit
Reinvigoration.com or
connect with our experts.

Contact us to learn more.



About Reinvigoration

Reinvigoration is a leading expert operations consultancy and enterprise platform solution provider based in the UK. Founded in 2010 Reinvigoration has helped organisations worldwide to achieve strategic operational transformation. We use our passion and deep-rooted expertise in operations management best practices, transformation and capability building to help our clients deliver excellence with certainty, every time.



Supported
over

150

global
organisations



Delivered
over

£0.5bn

in financial
saving for clients



Improved
over

10,000

client
processes



Developed the
capability of over

100,000

people



Certified
over

5,000

people in Lean
Competency
Systems