



Optimization of Cash Management^{iQ} at Kapital Bank

For more than 5 years, Kapital Bank has successfully used the Cash Management^{iQ} software solution developed by BS/2 to manage cash circulation.

About the client



The Kapital Bank is one of the three largest financial organizations in Azerbaijan. The bank is the member of the PASHA Group holding and boasts the second largest ATM fleet in the country and the most extensive branch network in all cities of the country. The customers of the Kapital Bank banking services include more than 3 million individuals and 22 thousand legal entities. Increase of the availability of financial services and services for the country's population is one the bank's priorities.

Project goal

The active development of the Azerbaijan economy in 2007-2013 could not but affect one of the key financial institutions of the country. As a result, the volume of cash circulation in the country by the end of 2014 exceeded a record AZN 10 billion. The Kapital Bank faced the global challenge of proper management of its cash circulation infrastructure. With the onset of the economic downturn in 2015 and sharp increase in funding costs (from 4 to 14% over several years), the relevance of this task only increased.

In addition to this, it is to be noted that the bank used different tools to manage various elements of the cash circulation system (collection of ATMs, payment kiosks, ADMs, bank branches and trade and service enterprises). The existed procedures were complicated and lead to unplanned expanses. As part of the strategy for improvement of the efficiency of its activities, in 2015, the Kapital Bank began to search for a solution for optimization of Cash Management^{iQ}.

Why choose us?

Bank orders for replenishment of devices were transmitted via e-mail or by telephone, which, obviously, did not meet the security standards of collection activities and was not always effective. One of the main operational tasks of the Kapital Bank was the creation of unified software environment for cash center specialist and cash collection services. The optimal solution to this problem was the use of Vault^{iQ}, an independent module of the Cash Management^{iQ} software platform developed by BS/2 to manage the operation of CSCs.

The other operational task of the bank's employees was monitoring the state of cash in self-service devices, which was required to eliminate ATM and other self-service devices downtime and reduce cash management costs. To solve this problem, BS/2 offered the other module of the Cash Management^{iQ} platform – CashPoint Monitoring^{iQ}. This module provides information on the amount and denominations of cash currently available in each self-service device and, based on the historical data of the system, displays for an operator the exact number of days before cash runoff in a self-service device.

One of decisive factors that influenced the choice of the BS/2 software product was the ability to adapt the

Cash Management^{iQ} solution to the procedures already formed in the bank in order to reduce the actual implementation period and start its industrial operation.



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A brand new moment for us was the opportunity, within the framework of the sole system, to solve the main tasks of cash distribution for ATMs, payment kiosks, bank branches and other facilities. The implementation of Cash Management^{iQ} helped minimize downtime for self-service devices and improve workflow efficiency.

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- Gabil Jafarov, Head of the Kapital Bank ATM Operations Division

The implemented solution

Before implementation of the platform, BS/2 specialists conducted a detailed audit of the cash management procedures at the bank. Based on the audit results, BS/2 together with the bank management determined the optimization plan which described the automatic procedure for ordering cash from the moment of initialization of an order by the Cash Management^{iQ} operator to the actual completion of the procedure.

According to the customer's requirements, supplementary elements were added to the system monitoring interface so that the system operator could work on one screen.



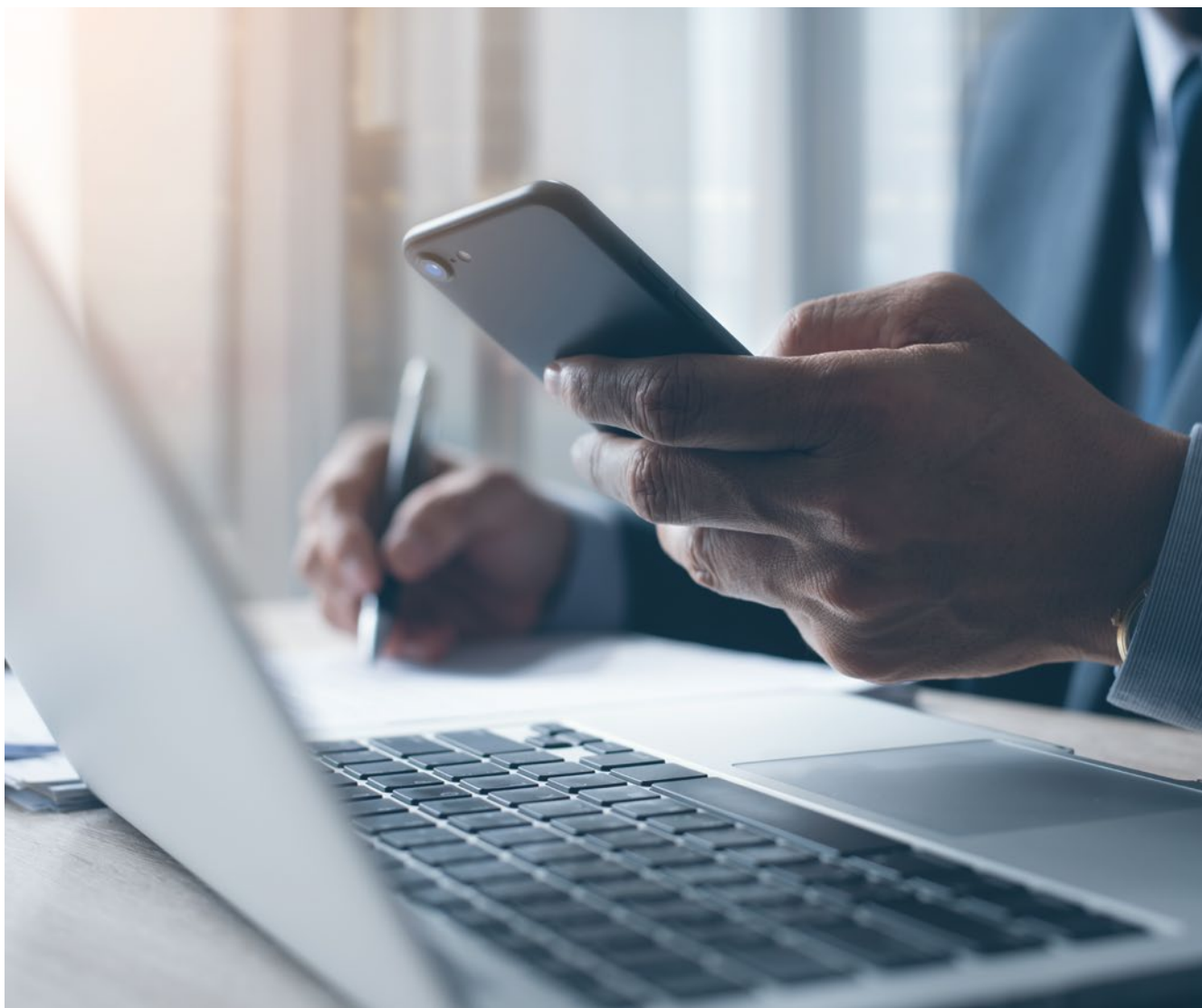
The CashPoint Monitoring^{iQ} monitoring interface allowed for obtaining the following information:

1. Data on the actual amounts of loaded, withdrawn and received cash and cash balances according to the types and denominations of currencies in real time.
2. Data on the collection completed: the date of the last collection, the number of completed collections for a specific period, etc.
3. Data on the current service status of devices: 'Enough cash', 'Cash runoff', 'Long absence of operations', 'Under repairs'.
4. Notifications in the event of reaching the upper and lower cash limit in a device.
5. Notifications about the technical condition of a self-service device.
6. Reports on actual amounts of loaded, issued and received cash and cash balances with details on currencies and denominations for a specific period of time.

Thus, to obtain key data on the status of devices (mainly cash balances and the cash runoff forecast), the operator has no need to enter each device separately in the system.

It should be noted that the system operated by the bank on about 1,000 devices has been adjusted for several years in accordance with the Cash Management^{iQ} product development strategy, as well as in accordance with the specific requirements of the customer. During these adjustments, the mechanism for forecasting the demand for cash was updated and the feature of accounting the collection bags and other physical and technical equipment was added.





Project implementation benefits

By means of Cash Management^{IQ} solution, the Kapital Bank automated the operational procedures and document workflow associated with placing orders for replenishment of devices. As a load on the cash circulation infrastructure significantly increased, the total number of cash collection trips did not decrease, while the number of cases of unforeseen cash collection decreased crucially.

The time required for the employees of a cash and settlement centre to organize and prepare an order for collection decreased several times.

The implementation of the solution allowed the for centralization of cash flow management and reduction of workload of employees of the bank branches responsible for replenishment of ATMs with cash. The bank also received a variety of analytical data regarding the demand for cash, the actual time for response to the incidents of lack of cash and many other aspects and business procedures.



Decrease in the amount of money supply in the ecosystem of cash circulation of the bank.



Automatic detection of discrepancies between a balance and an actual cash balance.



Reduction in collection costs (especially for unforeseen trips).



Optimal distribution of workload of employees of the cash and settlement centre and the specialists of bank branches.



Reduction of downtime for self-service devices resulting from the lack of cash.



Automation of document workflow related to the cash activities of the bank.

About BS/2

The company BS/2 is the Penki kontinentai group affiliate that provides services to 80 countries worldwide. BS/2 creates business solutions designed to automate and optimize the workflow of your business.

For over 26 years, we create specialized innovative software and hardware solutions for banking, financial institutions, and retail. We provide high quality IT products to meet the needs of your clients.

Konstantin Butrimovič

Software sales manager

Penkių kontinentų bankinės technologijos (BS/2)

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