

Erste Bank generates large savings and automation benefits in Croatia

Finance



BY THE NUMBERS

619

ATMs

133

BRANCHES

1.3b

TRANSACTION VALUE

13m

TRANSACTIONS

99.22%

ATM AVAILABILITY

THE CUSTOMER

Erste Group is one of the largest financial services providers in the Eastern part of EU.

Erste Group was founded in 1819 as the first Austrian savings bank. Erste Bank's strength in retail banking is based on traditional retail banking values, focusing on mortgages, consumer loans, consumer savings products, asset management and pension products.

THE CHALLENGE

Improving the operating performance and costs of the ATM network, which handles 13 million transactions of total value of 1.3 billion euro a year.

Erste Bank Croatia's ATMs are a critical part of the service they offer to their million or so retail banking customers. The transactions processed yearly account for more than 50% of the cash distributed through their retail banking operations. It was clear that overstocking ATMs and relying on high numbers of emergency cash runs to resolve cash outages was not a sustainable operating model, as:

- 23% of the cash delivered to ATMs was returned un-dispensed to the CIT on the subsequent replenishment visit.
- Despite the high level of unused cash being returned, cash outages were still a significant contributor to ATM downtime and over the year, nearly every ATM required an emergency cash run.

With significant growth in their ATM network and customer base it was apparent to the bank that these costs and level of customer service were not sustainable and a solution was required.

THE SOLUTION

Erste Bank decided to use APTRA OptiCash, in order to reduce the amount of cash in the network while simultaneously dramatically reducing the number of emergency cash runs and out of cash incidents.

Erste Bank worked closely with the NCR Cash Management team and Printec (NCR's partner in Croatia), to understand the problem and the options available to them. They then **analyzed the cash ordering and ATM performance history, and concluded that APTRA OptiCash was a perfect fit:** a unique cash optimization solution that forecasts individual cash requirements for each cashpoint in the network and then generates cost optimized individual replenishment strategies at each cashpoint, based on its unique cost factors, servicing constraints and capacities.

APTRA OptiCash works flexibly with existing data within the bank's infrastructure or by interfacing directly to ATMs to gather the necessary cash data to generate forecasts and replenishment recommendations. Most importantly, every APTRA OptiCash deployment is based on a common un-customised application platform with configuration parameters used to adapt it to the customer environment.

Leveraging this deployment flexibility, the team planned and executed an implementation project deploying a pilot in two weeks, with network wide rollout in two months and full production operation in 90 days.



"We were impressed with the APTRA OptiCash solution but what impressed us most was the NCR and Printec teams expertise and commitment to understand our operations and not rest until they had delivered a solution that met our needs".

Liljana Pušelj
 Head of Cash Management Group
 (Project Manager for the implementation of OptiCash in Erste bank)

THE RESULTS

The benefits of APTRA OptiCash were immediately apparent with positive results in each of Erste Bank's target areas.

IMPROVED CASH UTILISATION	UPGRADED ATM AVAILABILITY	CASH REPLENISHMENT STRATEGY OPTIMIZATION
The return rate dropped dramatically from 23% to 14%, while emergency cash deliveries were cut by 88% and out of cash events were reduced by 86%.	<ul style="list-style-type: none"> • Availability was enhanced from 98.7% to 99.1% within the first quarter. APTRA OptiCash was deployed within one month setting a new availability record • performance of 99.22%. 	<ul style="list-style-type: none"> • The bank's replenishment strategy is continuously optimized in response to changes like additional cashpoints, as their network grows and like revised costs, as they re-negotiate their service contracts with suppliers such as cash processors and CITs.

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