

6 Ways  
**TO REDUCE  
OPERATIONAL COSTS**  
by Going Cashless







In a crowded marketplace with several vending operators offering **very similar products, price-points and delivery timelines**, the only differentiating factor that might leave a lasting impact in the minds of your customers is customer service. Giving your customers the **flexibility in payment options** is bound to do just that.

Offering a cashless solution helps in **reducing operational costs and improving margins**. Here are **6 ways to reduce operational costs and improve margins by going cashless**.



### MARKET RESEARCH TIP

Take a trip to your nearest, most popular convenience store and see for yourself how many transactions are cashless!



Flexible payment options help bring more customers on board and can improve your customer service. Get your customers to talk about you!



# 1 Reduce On-Hand Coin Inventory

Drivers carry an average of \$100 every day to refill coin mechanisms. Using cashless can **reduce the amount of coins** needed to replenish machines. As an operator with high pressure to turnaround stock and cash quickly, **cashless** is the go-to solution to **reduce on-hand coin and cash inventory**. Offering cashless payments will ensure your financial operations are lean. Being lean on cash can also make **you a good prospect for future acquisitions**.



## WHAT ELSE CAN CASH BE USED FOR?

- Redirect cash to buy more product inventory.
- Add cash to your bottom line.
- Use cash to purchase a new vending machine at a new location.





## 2 Reduce Cash Shrinkage

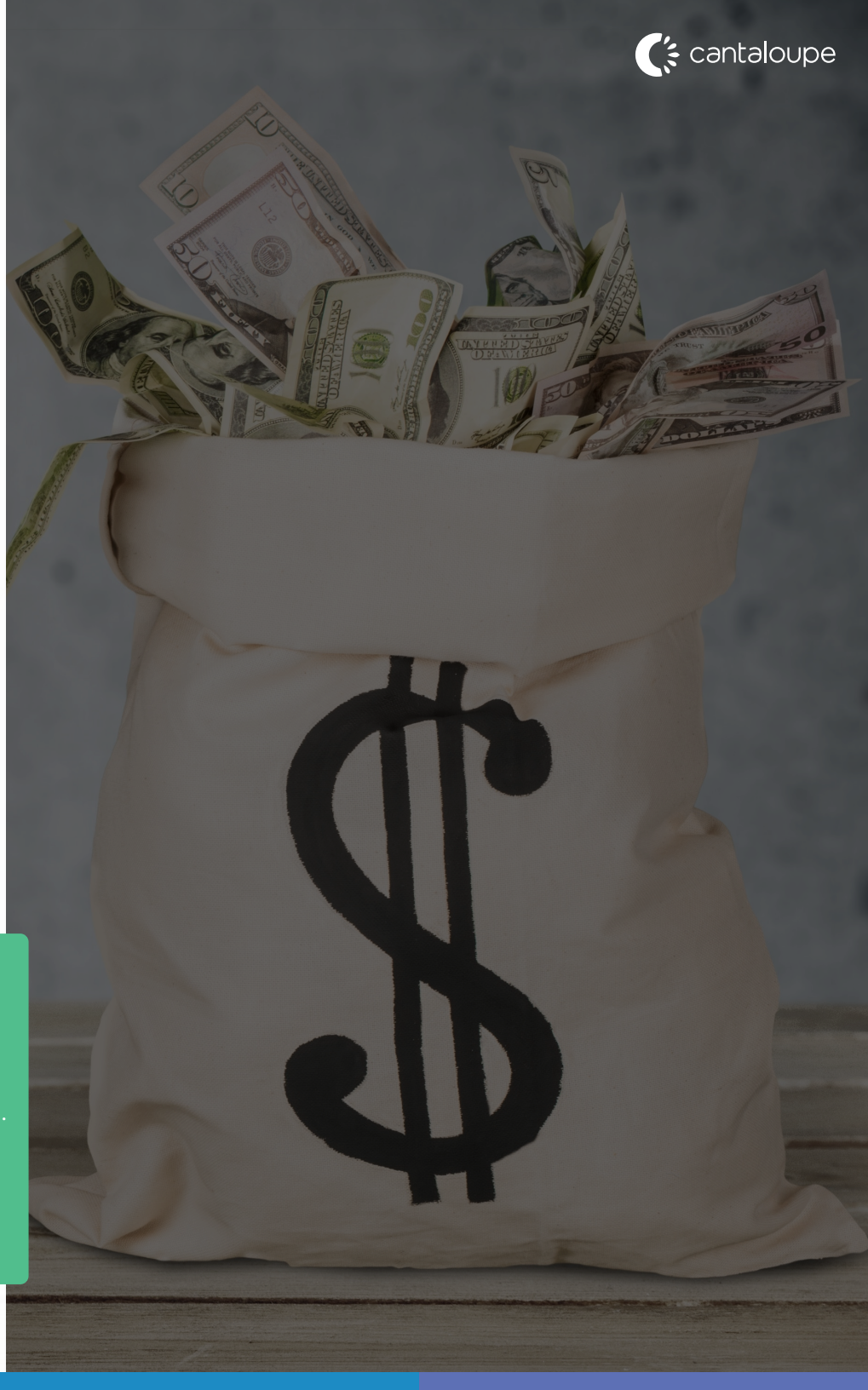
It's common for many operators to have an acceptable cash shrink. Not only are there cash variances to deal with, but there is also a **cost** in terms of **time and resources**. In most vending operations, there is a dedicated resource who tries to balance three aspects, which are, **actual sales, cash collected** and the **amount reported by the money room**. This involves considerable time. In addition, there is also the task of going over every department's activity to **resolve any discrepancies**. Sometimes this might lead to **suspecting honest employees** of being dishonest. Alternately, having an acceptable shrink in **variances of cash** could lead to ignoring small amounts of **theft**, which, if ignored regularly, could either turn into a big number over time or could encourage the person who's stealing to attempt theft of an even larger amount.

By leveraging a cashless option, you can **improve cash accountability**, as well as receive alerts each time a vending machine is opened or closed, especially during non-traditional vending service hours.



### WHY IS YOUR CASH NOT MATCHING?

- The driver has mis-marked the money bag with another vending machine.
- The money room employees miscounted.
- The cash counted was input incorrectly into the VMS.
- Actual cash collected from the machine was short.





### 3 Eliminate Fraudulent Refunds

Cash refunds are given based on verbal requests from the consumer, the receptionist or the driver. Refunds could also be a key point of discussion between you and your customer. It's a **catch-22 situation** - you **don't want to annoy your customer** by asking for more details, but you also **don't want to give in to unverified requests of machine malfunction, duplicate product replenishment**, etc. The cash you give to your driver for customer refunds could end up not being given to the customer at all. In a customer location with several account managers dealing with vending operations, refunds could be claimed without data and the refunds given might not get accounted for. **With**

**the rising scale of vending operations**, recording refund incidents might become **a task requiring a dedicated resource.**

Are you ready to hire a dedicated resource for handling refunds?

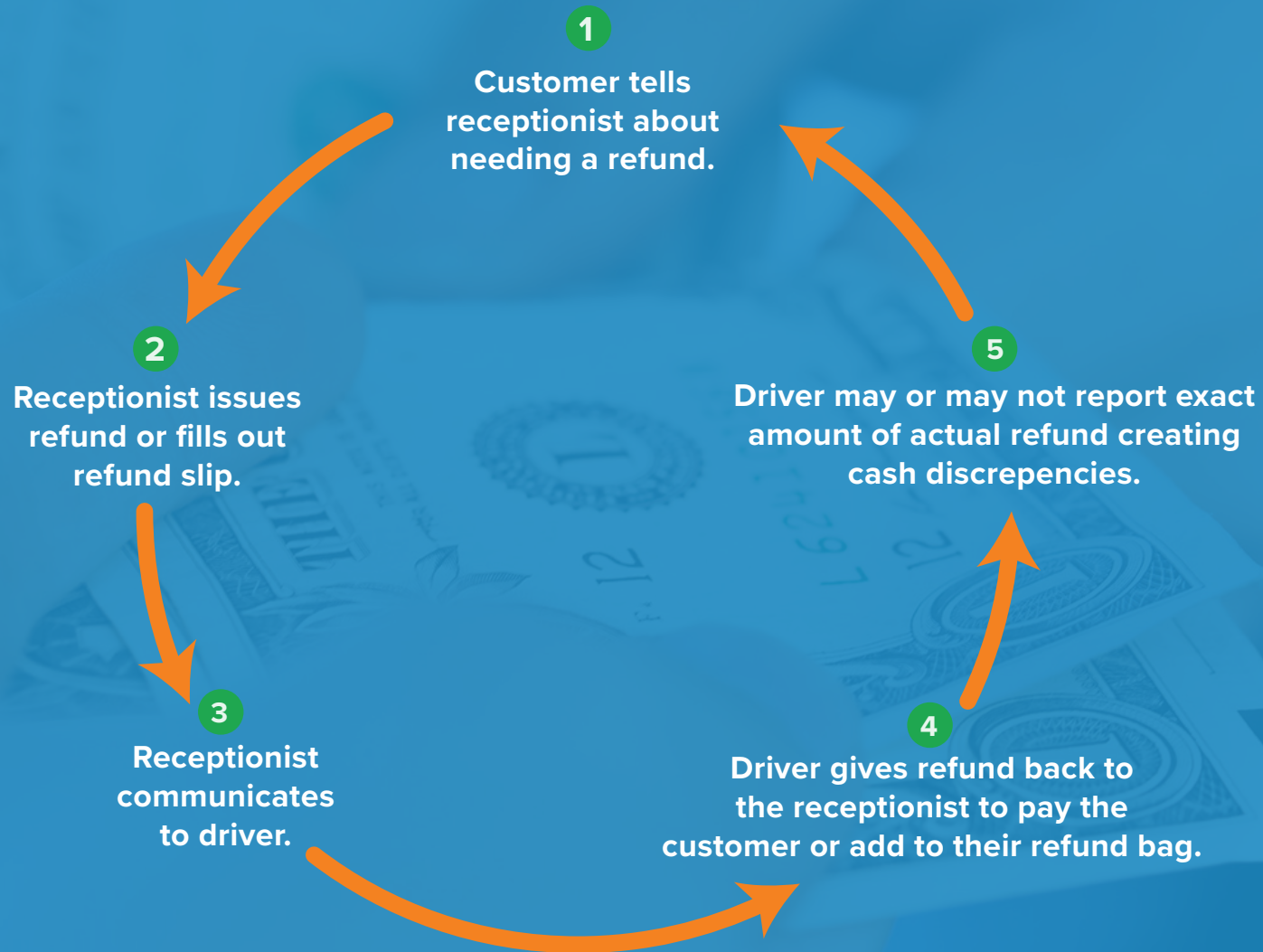
Considering all these scenarios, how do we bring transparency and accountability

to refunds? **With cashless, refunds can be verified**, ensuring that you are giving back money only when it is a valid refund request.





# The Vicious Cycle of a Cash Refund!





## 4 Reduce Money Room Labor

Petty cash and change funds are all hard dollars that never see the bank. Add to this the **human resource cost of counting cash** and reporting it every day. Perhaps the most important aspect of the money room is finding trustworthy personnel – remember, they're counting your cash. Money room staff aren't perfect and can make honest errors which amplify your reconciliation efforts. With cashless, you can **remove "money on the shelf"** and the labor it takes to count it each day. A shift to cashless could **save you around \$30k annually in labor costs**.



### WHAT COSTS ARE INVOLVED TO RUN A MONEY ROOM?

- Cost of labor employed to count the cash.
- Cost of time required to identify trustworthy employees.
- Cost of time required to reconcile cash collected.



# 5 Reduce Coin Mechanism & Bill Validator Maintenance

If a coin mechanism or bill validator breaks in the field, it can cost an average of \$500 plus labor to replace. This is where a **cost-benefit analysis** could come in handy. Consider a per machine, **coin-mech or bill validator breakdown cost** of \$500 plus labor. This number, when

Cashless features also include alerts that tell you if there is a bill, coin or column jam so you can quickly correct and reduce machine downtime.

multiplied with the average number of machines per route will project the potential machine breakdown cost. Now, compute the benefit of implementing cashless at all your machines. The **benefit amount** is

the **increase in consumer spend per transaction** that happens **when implementing cashless**. On average, operators see a **25% increase in consumer spend per transaction**. Compare the cost with the benefit. This clearly proves how implementing cashless is more effective than repairing coin-mech or bill validator breakdowns.

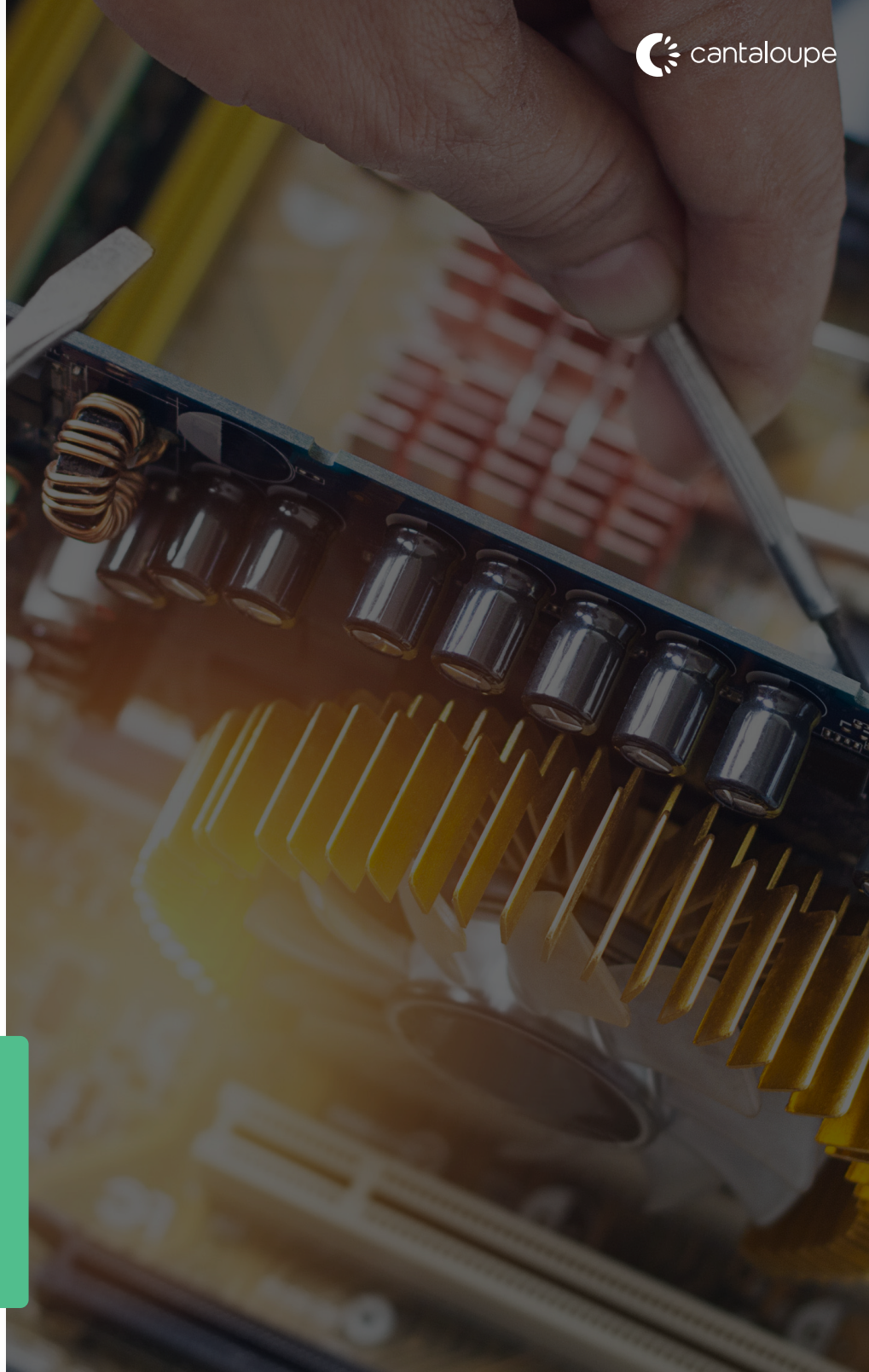


## DO A COST-BENEFIT ANALYSIS

Cost of repairing coin mech or bill validators.



Revenue increase by implementing cashless.





## 6 Reduce Robbery Risk

Drivers have often times been held at gunpoint for the cash sitting on their vending machine truck. **Reduce the risks associated with carrying cash** for your vending operations. You also **undertake risk**

Have you protected your premises against theft attacks?

**during the cash counting, and during the movement of cash from your premises to the bank. The presence of a money room at your business also poses a security risk.** Cashless

transactions remove some of the risks associated with having cash sitting in trucks or onsite and in return, provide a safer environment for your employees.





By going cashless you not only **save in every day operational expenses**, but you **gain in increased revenues and customer satisfaction** by offering new payment solutions that today's society expects. So **what is the future of cash?** Some countries around the world are contemplating eliminating cash from banking systems, restaurants and entertainment arenas. You will see **signs in Sweden** that say **"We Don't Accept Cash"** or **"Cash Free Zone"** on restaurant doors or windows. In Belgium, 93% of consumer transactions are now cashless. Could that be the **future of cash in the United States?** Only time will tell, but for now you can learn more about USAT's ePort Cashless Hardware solutions by visiting our website

[www.usatech.com/products-services/eport-cashless-hardware](http://www.usatech.com/products-services/eport-cashless-hardware)

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## CONNECT



This case study was created during the Company's tenure as USA Technologies, Inc. The Company rebranded to Cantaloupe, Inc. April 19th, 2021. For contact information please visit [www.cantaloupe.com](http://www.cantaloupe.com).

