

Introduction

Central Bank ABC operates cash centres on a regional basis providing note processing and distribution facilities for the Commercial Bank network in the country. In these cash centres notes are received from Commercial banks, CiT's and major retail organisations and these notes are then processed on a range of equipment to assess note condition, authenticity and inventories. Fit notes are re-issued for either machine or over the counter distribution with unfit notes destroyed on line in the Banks own facilities.

The Bank has a mix of note sorting equipment ranging from value balancing banknote counters for processing small mixed batches of notes returned from the retail market through to high capacity note sorters for volume processing, note distribution and on line destruction of unfit notes. The equipment has been sourced from a number of vendors and is linked to the Banks own Vault Management system which consolidates inventory and productivity information. All of the centres are managed by Cash Centre Managers who are responsible for productivity and maintenance for their individual operation and are able to adjust maintenance criteria within given parameters to deliver their performance objectives.



Problem

The Bank is aware that there are significant variations in note condition throughout the country and also that the different machines operate to different standards and metrics. The Bank does not however have a means of monitoring the note condition across all of its centres and equipment types and has tried to devise a sampling and software solution to achieve this.

Requirement

The Bank is looking for a solution that will provide a constant and consistent reporting on the note quality in circulation but that such a solution will maintain the ability of the local cash centres to manage their processes to enable them to meet their throughput and uptime objectives.

ICS proposal

ICS proposed the installation of a detector in each of the note processing systems operated by the Bank. These detectors monitor every note processed and assess the soil level of each note independently of the host transport. ICS use soil levels as a base line indicator of note condition and then monitor trends by denomination, location and machine. In addition to the soil levels the ICS solution also provides independent productivity reporting.

The data captured by the detectors is fed via the Internet to a dedicated ICS server where the information can be accessed by the Bank. Reports are available detailing the data captured and the Bank can go into more detail to obtain the required note information for each of the pre determined note characteristics.

The cash centre managers can continue to operate independently of the ICS solution but they can also use the data from ICS to corroborate and validate the information from the vendor equipment.

Centrally the Bank is able to consolidate data from all processing locations and equipment types into one report which present a total view of the note circulation and conditions and can then be used to provide an overview of the trends in note quality throughout the country- all from the same consistent, independent detectors and parameters without impacting operations.

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ICS installed the detectors into the Banks equipment and has set up a service agreement for the detectors directly with the Bank. All of this is delivered independently of the equipment vendors and the ICS solution operates in a totally free standing manner so allowing the local management retain their system control and existing vendor relationships. Neither the hardware, software nor communications architecture relies on the host equipment.

The ICS detectors are non adjustable and do not require any maintenance beyond simple regular cleaning which is performed as part of the normal operator tasks.

The implementation of the solution does not impact the operations, flexibility or service arrangements of the host systems and the local staff are able to retain their operational flexibility whilst at the same time providing their central management with a complete insight into the quality of currency in circulation in a consolidated manner.

Results

Since the solution has been implemented the Bank has been able to replace the previous quality sampling method with a consolidated reporting of the quality of currency in circulation. This data is available across all denominations and locations and the Bank is now able to assess the trends in note quality for each location and also to address specific needs or issues in a timelier manner. With this level of detail the Banks is better able to manage its note inventories and to effectively control its policies on note fitness levels and distribution.

The Bank is now looking to deploy the ICS solution in the commercial sector thus ensuring that all processing organisations are operating to the same standard and providing the means of measuring the compliance to the quality standards of the Bank. This will enable the Bank to provide not only the policy for note quality assessment but also the means of measuring and complying with this policy.

The availability of the data has provided the Bank with a detailed view of its inventories independently of location, processor or machine type. In the long term this will allow the Bank to review its note processing strategy. Outsourcing of note processing and even of note destruction become realistic options in light of the improved control and data that the Bank is able to obtain enabling the Bank to concentrate on and manage note policy independently of the physical processing operation.

