Managing Rapid Growth with Automated Cash Supply-Chain Optimization

The solution Cash Point & Transport Optimizer CPTO® by planfocus optimizes the Cash Supply Chain for the fastest growing bank in Saudi Arabia, Alinma Bank.

Since its founding in 2006, Alinma Bank Saudi Arabia is one of the fastest growing banks in Saudi Arabia. Alinma Bank serves their clients with a nationwide network of branches for men and women and a network of more than 1.000 ATMs.

The increasing number of branches and ATMs provide Alinma Bank with a great challenge: Managing a complex, fast-growing and secure supply chain – forecasting and planning as well as transporting cash to various locations every day. The amount of cash required daily is by no means constant, but is influenced by many factors, which makes forecasting and planning of cash a complex science rather than an art.

In most cases, cash inventories of ATM networks in the past were planned by cash managers with spreadsheets or little technological assistance. Further, a growing number of cash points in the network adds increased complexity to these processes. With all due care, it used to result in cash points with excess stocks as well as higher transport frequencies. Personnel efforts and -costs for transportation and tied-up capital as well for processing and distributing cash throughout the bank’s network – from the central bank to ATMs/branches and ultimately to customers – put strain on budgets.

To help manage the growth of its network, Alinma Bank strived to improve their efficiencies across the entire cash supply chain. The requirements for a suitable solution were divided into two main aspects: First, the optimization of cash inventories, including the optimized planning and replenishment of ATMs and branches. Secondly, to ensure that its cash-in-transit services (CIT) were able to cope with the growth.

After a detailed market analysis in the field of cash supply chain optimization software, Alinma Bank in 2011 opted for the solution CPTO® from the German software company planfocus for optimizing its cash supply chain network.
The Solution

The suite CPTO® offers financial institutions a high-performance multivendor cash management solution to better plan and monitor the cash supply chain. The solution controls, optimizes and monitors all cashpoints – such as ATMs, deposit machines, cash recyclers and teller cash recyclers – to analyze cash stocks and deployment of the CIT (cash-in-transit). CPTO® predicts the cash requirements by means of advanced forecasting algorithms based on the systems’ data history and computes optimal replenishment cycles based on patented optimization technology.

Each cash point is replenished with the optimum amount of money and within an optimum time interval. Multiple cashpoints within one branch are synchronized by the CIT service and tour planning, ensuring additional improvement potential in levels of service. Thus, the optimized capacity utilization helps financial institutions and retailers save time and costs.

The Implementation

Early 2012, Alinma Bank signed a deal with planfocus and NCR, at the time planfocus implementation and support partner in Saudi Arabia - to automate and optimize forecasting and planning of cash inventories of their entire network of ATMs as well as to plan optimized tours. For Alinma Bank, there were a few additional success factors for this project: The cash orders per calendar day as well as the service tours per calendar day should be limited. Considering these requirements the implementation project for the modules CPTO®/Planner was rolled out in 2012. The project team consisting of planfocus and NCR worked with Alinma Bank on site, providing in-depth training for its staff to maximize the effectiveness of the solution. After minor customizations of the solution, the implementation was successfully completed in September 2012. In a second step, the roll-out of CPTO®/Transport to optimize CIT tours was taken in 2013.

Considering the configurable limitations for cash orders per calendar day and service tours, CPTO® now respects existing transport capacities with the aim to more evenly utilize CIT capacities fully taking upcoming forecasted order peaks into account.

In addition, CPTO®/Transport is able to help identify critical orders with high demands on punctual delivery and generate automatically tours for CitTs. All documents can be provided automatically to the CIT by CPTO®/Transport.

By using CPTO®, Alinma Bank could realize punctual order deliveries and lower the risk of overstocking and stock outs of ATMs despite their limitation of cash orders and services per day. At the same time, CPTO® helps to make cash processes and their cost structures transparent and continuously monitors KPIs.

About planfocus

planfocus® software GmbH, headquartered in Munich/Germany, is the technology leader for solutions to optimize the cash supply chain. A daily value of over 250 million euros (343 million USD) in cash replenishments are executed based on the planfocus® software suite CPTO® (Cash Point and Transport Optimizer). planfocus® means next generation cash management and return on investment within a very short time!

Since its founding in 2004, planfocus® has developed to become an international leader in the field of optimized cash supply chain management. planfocus® is widely known for its technical expertise, reliability and competence in supply chain optimization and cash handling systems. CPTO® is a highly configurable, high-performance solution that includes some of the most advanced forecasting and planning algorithms in the industry, yet remains easy-to-maintain.

The CPTO® solution is one of the most widely used solutions in EMEA. In 2012, the solution generated fully automatic cash order volumes exceeding 80 billion euros (110 billion USD) for ATMs, bank and retail branches. Our references include some of the largest banking data centers, such as Finanz Informatik (Sparkassen Finanzgruppe), FIDUCIA and VOEB-ZVD (Deutsche Postbank) as well as numerous international banking institutions. At planfocus®, we work hard to meet the goals of providing maximum savings and highest quality for our customers.