



The New Marketing Launching Pad: QuickChange™ Member Self-Service Coin Counting

This white paper explores a new twist on member self-service technology: one that provides a needed service *and* brings the member experience back into the branch, creating a “launching pad” for marketing initiatives, relationship building and cross-selling.

It features...

- Snapshots of the extensive needs research conducted by Talaris, formerly De La Rue Cash Systems, in redesigning self-service coin counting technology (including member and credit union staff needs),
- The story of the development of QuickChange™ and
- Best-practice advice on implementing member self-service coin counting.

Plus...

- Throughout its entirety this white paper features case studies from four credit unions that were early adopters of this new technology.

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The Member Service Dilemma

Twenty years ago, credit unions carved out a niche by providing superior personal service. Credit unions still hold a service advantage today, but technology has taken much of the spotlight, resulting in missed opportunities and lost market share.

Credit Union National Association's 2006-2007 *Credit Union Environmental Scan* states, "The financial service industry is increasingly commoditized." A question many decision-makers in the movement are asking themselves is: "How do I differentiate my credit union in a market where services are perceived as 'all the same' and electronic technologies overshadow personal interaction?"

"If you think about it, when you open an account at your credit union... We encourage you to sign up for direct deposit. We give you a debit card or an ATM card... We give you home banking... We give you bill pay... We give you everything to keep you away from this credit union. And when it's time for you to borrow money, we want you back. And how are we going to get you back, when we've pushed you away? We've taken a new approach. We say, 'If you come into the credit union, we want you to see how we've created a whole unique retail experience. And by making it attractive, hopefully, you'll remember us when it's time to borrow.' We've created an attractive lobby to bring our members back into the credit union. And we're doing it with a coin machine..."

*David Southall, President/CEO
Innovations Federal Credit Union*

The New Marketing Launching Pad

In a technology-driven market with many similarities between financial institutions, getting members and potential members to break from their routines requires a solid communications plan and some market differentiation. The goal is to give members a reason to visit your branch from time to time.

"QuickChange™ is an extremely efficient marketing 'launching pad.' It effectively integrates marketing campaigns that add a face-to-face element for cross-selling," says John W. Smith, Senior Vice President of Talaris Cash Systems. "The beauty of this technology is that it helps create a 'personality' for your credit union. Instead of chasing members out the door to a faceless, commoditized financial service marketplace, members want to visit your credit union... children are excited to visit the lobby. You can use QuickChange™ to tell your story: not only by providing a valued service, but also by having fun... by greeting members with a smile... by thanking them for their business... by using the experience to launch a new marketing campaign."

The QuickChange™ self-service coin counter was developed with an optional lighted banner for branding and marketing purposes. The retail area surrounding the machine is also prime real estate for marketing messages. Lastly, when members come to the teller line with their receipt, your member service representatives can take better advantage of this face-to-face time as they are not taking time to count coins in the back-office.

Back to the Drawing Board: Redesigning Self -Service Coin Counting

The story of QuickChange™ is one of research and design success. Talaris went back to the drawing board and redesigned a member self-service coin counting machine that not only meets member needs but also the operational and marketing needs of credit unions.

Member Research

The following are direct quotes from members in focus groups about their experiences with self-service coin counters *before* QuickChange™:

- *“Counting your own coins is better than burdening the tellers with the task.”*
- *“They are frequently out of order and often ‘kick out’ good coins, which I don’t like.”*
- *“I don’t always trust the machine.”*

Members’ self-service coin counting improvement suggestions included...

- *“Provide fast service without interruption;”*
- *“Display a running total value;”*
- *“Let me hear the coins being counted...but provide a low noise level;”*
- *“Make it fun and easy for both adults and children to use;” and*
- *“Have staff readily available if help is needed.”*

Field testing *after* QuickChange™ was developed yielded the following member comments...

- *“Looks appropriate for a financial institution;”*
- *“Fun and easy for both adults and kids to use;”*
- *“Large colorful screen and ‘A’ and ‘B’ button operation makes it easy to use;”*
- *“English and Spanish prompts are a welcome plus;” and*
- *“Actually prefer using QuickChange™ to a teller count.”*

Staff Research

The following are direct quotes from credit union staff regarding their experiences with self-service coin counters *before* QuickChange™:

- *“The machine requires staff intervention every time a bag is full.”*
- *“They do not fit well with branch décor.”*
- *“The ‘surround’ we had to build for the coin counter was expensive.”*
- *“Self-service coin counters are too sensitive to dirt and debris.”*
- *“Our machine doesn’t sort.”*

Staff suggested the following self-service coin counting improvements ...

- *“No interruptions during member transactions;”*
- *“Professional look that suits branch décor;”*
- *“Speed;”*
- *“Simple to operate;”*
- *“Not too noisy; and”*
- *“Convenient access for staff to supervise and attend the machine as needed.”*

Field testing *after* QuickChange™ was developed yielded the following staff comments...

- *“Saves time and makes the job easier;”*
- *“Minimizes staff involvement;”*
- *“Fast and easy for members to use;”*
- *“Has a professional appearance;” and*
- *“Lighted marketing banner is great for communicating to members.”*



Back-office models are traditionally reliable but limit member face-to-face time and marketing/cross-selling opportunities, while traditional self-service machines often present operational problems. QuickChange™ brings the best of both worlds...

Comparisons of Coin Counting Machines

	Back Office Models	Traditional Self Service	Talaris QuickChange™
Full sorting capability	✓	✓	✓
High-speed processing with minimal interruptions	✓		✓
Gain member face-to-face time		✓	✓
Member sees/hears the coin count in progress and watches the total build on large screen		✓	✓
Integrated signage and marketing opportunities			✓
12 Fed-ready, auto-switch bags for continuous processing			✓
Simple two-button operation			✓
Child and handicap accessible			✓
Auto-feed conveyor with safety interlock			✓
Both English or Spanish communication options standard			✓
Rejected coins returned to member			✓
Automatic debris removal system separates non-coin debris/routes to trash receptacle			✓
Balance between member sensory experience and quiet operations			✓
Built exclusively for member self-service processing			✓

“Before QuickChange™ we were manually counting coins at the teller line. We were looking for a more efficient way to handle that process. Among the analysis of five different machines on the market, we chose the Talaris QuickChange™.”

*Mique Kee, Vice President Branch Support and Delivery
Mission Federal Credit Union*



Let's take a look at how Talaris's extensive research has improved self-service coin counting for both members *and* credit union staff...

Redesigned Features and Benefits of QuickChange™

<p><u>Ease of Use/Safety</u></p> <ul style="list-style-type: none"> • Intuitive user interface with large color monitor • Simple two-button (A or B) prompts and selection • Bilingual operation standard (English and Spanish) • Convenient work surface with no sharp edges • Conveyor feeds coin automatically and features safety interlock 	<p><u>Design/Aesthetics</u></p> <ul style="list-style-type: none"> • Designed to accommodate adults, children, and those with physical limitations • Compliant with Americans with Disabilities Act (ADA) standards • External design fits all branch décors without costly surrounds • Accommodates built-in, lighted, custom signage for branch marketing messages or children's clubs
<p><u>Efficient Self-Service Processing</u></p> <ul style="list-style-type: none"> • Speed optimized for maximum throughput (up to 2,500 coins per minute) • Proactive member communication supports continuous processing • Low coin jam frequency with simple recovery procedure • Standard coin recognition and rejection capability • Redesigned inner-workings minimize downtime and member interruption • Member sees coin being counted with running total value appearing on large screen • Member hears coin being counted with some noise for a sensory experience 	<p><u>Optimal Operations</u></p> <ul style="list-style-type: none"> • Commercial-grade technology sorts coins by denomination • Reliable, accurate non-gravity dependent sorting method • 12 Fed-ready bags auto-switch when full for continuous processing • Multiple bagging of common denominations standard • Triple bagging of pennies and quarters standard • Standard coin capacity of more than 50,000 coins • Low noise level during operation • Relatively small footprint fits in most floor plans • Bilingual member receipt with programmable branch-specific information • Receipt printer utilizes quiet thermal print technology; accommodates large paper roll • Dual programmable service fees available (members and non-members or members and businesses) • Routine cleaning procedure takes only a few minutes daily • Full bag indicator light allows for bag changeover when convenient for staff without the need to interrupt member transactions • Simplified coin bag changeover and automatic bag ticket generation • Coin cleaning/debris ejection system feature is standard • Standard internal controller is Windows®-based PC • Supervisor mode offers full screen prompting



Best Practices: Case Studies of Early Adopters

Just two years ago, a CUNA study of 2,000 credit unions found that only 25% of U.S. credit unions offered automated coin counting services—back-office or self-service. While asset size was a strong determinant of the service offering, there were strong regional differences among credit unions. Credit unions in the Midwest were most likely to offer the service, while only about one in ten credit unions from the North East offered the service (see *Credit Union Coin Counting Services: Changing Attitudes About Change*). The study found credit unions on the West Coast were adding member self-service coin counting at the fastest pace.

The following offers advice on best practices from early adopters, illustrating how they used QuickChange™ to reach out to members and gain a competitive advantage while doing so.

Reasons for Offering Member Self-Service Coin Counting

Steve Oien, President/CEO of Minnco Credit Union says, “It’s just a benefit to the members. Having the machines makes our job easier because we don’t have to take teller time away to go and count coin. It actually creates some efficiencies for the credit union. And the members—they like it. Plus we were limiting coin to certain days—we excluded Fridays—because as most everybody in the industry knows—members don’t understand it—but there’s a lot more to it than bringing it back and running it through the machine. This spring when we got the QuickChange™ machines, we went to Saturday lobby hours.

“I think this technology allows our staff to interact with the member more instead of running off to a back room, so they can spend more time with the member. Plus it reduces our labor counting coin.”

David Southall of Innovations FCU, says, “This is just another way to provide good service. The QuickChange™ machines are not that expensive considering the amount of work they do for us. They almost pay for themselves. I would encourage all credit unions to provide this type of service. It’s just another way to keep our members here instead of having to send them to a bank or a grocery store to do something that they’re going to be charged for. They’re easy to use. They’re easy to maintain. And it’s just another service that we can provide to our members to help enhance the value of being a credit union member. That’s how we look at it.”

Fee Philosophies

“We started charging a 4% fee to cover operational expenses,” says Miquee Kee of Mission FCU. “We felt this fee was competitive with the machines that were out in the supermarkets and other financial institutions in our area. So, that seemed to be a fair fee to implement.”

“In the Midwest it is not uncommon for financial institutions to accept coin without a charge. Our volume has been ratcheting up over the last few years, and we’ve considered a charge; but at this point, we’re not charging. We’re just looking at it as providing a service for our members...hoping they deposit it but realizing that some won’t,” says Kim Schroeder, Vice President of Operations for Accentra Credit Union.



Operational Considerations

Mique Kee of Mission FCU says, “A typical day of self-service coin counter operations at our credit union requires from 30 minutes to an hour of staff time per day—and that could be sporadically throughout the day. They might do 10 minutes in the morning prepping the machine, wiping down the surfaces inside the machine to make sure that it’s all clear, removing any debris or rejects that might have come through. Our particular model has indicator lights, so you can tell if a bag is full and needs attention. And this particular machine has two—a left side and a right side—so when the right side is full, it automatically switches over to the left side, so the machine doesn’t shut down 100% because of a full bag. The employees have to be aware of what’s going on with the machine. One piece of advice that I would give: place the machine in a spot that is visible to staff, because in one of our branches, we have it tucked around the corner, and the staff can’t see the indicator lights.”

Steve Oien, President/CEO of Minnco CU adds “The main thing is to keep the machines clean because a lot of stuff goes through them...things you wouldn’t even imagine. They’re somewhat high maintenance, but it does save staff labor—having the members count their own coins.”

Self-Service Coin Counting and Retail Design

Kim Schroeder of Accentra CU uses QuickChange™ in conjunction with a new “high tech” branch design with non-traditional means of conducting member business. “We thought, since we’re emphasizing electronics, the automated coin counter sounded like a good idea. Members seem to like it as the machine guides them through the entire coin handling process. We’re finding it’s no big deal for the members that are using the new branch facility. I think for some it even improves their comfort level with them being able to see their coin being counted right in front of their eyes. It’s working out just as we had hoped.”

David Southall of Innovations FCU has an interesting story related to the effect of retail design on the credit union’s membership: “We wanted to create a whole retail experience. We have a merchandise bar that has high-end gifts. We have a coffee bar...Internet bar...We have a news stand with all the latest news periodicals and magazines and newspapers...everything. We’ve created a unique environment in our credit union... visually, with the colors, the design, the technology and the equipment we use. The whole thing packages well together.

“We think by creating this unique environment it will bring people back into the credit union. And, you know board members and other people you talk to say ‘That’s not going to work. People don’t care anything about their credit union.’ What’s interesting is that we have people bring their friends and family in to see what we’ve done with our credit union because it’s so cool. They love it. They love everything about it. They bring their family members who are on vacation to meet their favorite tellers and FSRs. When was the last time you took your family and friends to your credit union for a site visit?—whether you needed to do business or not? Nobody has, but they’re doing that here.

“Our coin-counting machine is right as you first walk in, and the type of machine that it is...it’s visually attractive. It’s not a big clunky-looking box like you would see at a grocery store or at a stodgy bank. The design of it is pretty unique...the lights are flashing and it has a video monitor. It doesn’t look like a coin-counting machine. Actually, it looks pretty futuristic. So, we’ve had a lot of good response from our whole branch remodel and the new equipment we’ve brought in, including [the QuickChange™] machine.”



Marketing, Cross-Selling and Relationship-Building

Mique Kee of Mission FCU advises “One thing that QuickChange™ does not have is integration with our teller system, so it does require the member going to the machine, processing their coin, obtaining a receipt, and then taking that receipt to the teller counter for final processing into the account. Our philosophy of that was ‘Yes they have to perform that in two separate transactions, but we still have the opportunity to talk to them about services— or maybe an upcoming car sale—to cross-sell different opportunities that might benefit that member.’ To reinforce these messages we also place marketing advertisements throughout the branch that members see as they use the machines.”

David Southall of Innovations FCU integrates cross-selling and relationship building with this “self-service” technology: “It is a self-service-type process, but what we do is we greet you at the door when you walk in. We’re at the door. Someone always greets you, and if you’ve got a hand full of coin, we take it from you and we do it for you. We show you how it works, and we talk you through the process. And at that time, we’re building a relationship if we don’t have one already.

“There’s a banner above the machine, and we’ve created some marketing pieces for that. You just slip the marketing piece behind the plexi-glass and it’s lit from behind. It’s very attractive, and we can change it out when we wish. The FSRs conduct the transactions side by side with members which creates a more intimate conversation that helps us cross-sell easier and find out what our members’ needs are.”

About the Sponsors

Talaris, formerly De La Rue Cash Systems, is a leader in the research and development of self-service cash handling technologies and is a leading provider of cash handling solutions to financial institutions, retailers and governments worldwide.

For more information visit www.talaris.com

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