

DON'T FORGET THE CASH

Cash Drawers Essential to POS Solutions Development and Configuration

Introduction

As a new, lighter POS approach emerges, Point of sale (POS) solutions no longer have to depend on PCs to operate. Depending on a system's configuration, the new POS model can leverage thin clients such as tablets and handhelds, giving the cashier the freedom to transact business at the point of decision.

In many instances, the customer comes prepared to pay cash. It's true that consumers increasingly rely on plastic, but depending upon the vertical, cash still accounts for between 30% and 60% of POS transactions. This means businesses still need to be able to handle cash, which in turn means that any POS system must include at least one cash drawer. With that in mind, ISVs must give the cash drawer serious consideration when developing, configuring and deploying POS solutions.

In the development phase, ISVs typically take into account client requirements such as loyalty rewards programs and discounts, access to customer histories, suggestive selling, real-time inventory links, and payment cards. In fulfilling all these requirements, it's easy to overlook the cash drawer. That, however, would be a mistake since there is a wealth of cash drawers from which to choose, as well as multiple options for how to connect them to other components — whether wirelessly, through a printer, or through USB. To ensure they can assist their customers in choosing the best solutions for their needs, ISVs should



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learn about cash drawer options and avail themselves of cash payment-related opportunities.

Emerging Model

For about two decades, the PC has been at the center of the POS solution, acting as a computerized cash register and controlling various peripherals, such as printers, cash drawers, and card readers. Though popular, this setup is costly, especially for smaller retail shops, and often requires a fair amount of configuration.



A new model that combines thin client, mobile, and cloud-based technologies is emerging. Called “Thin-bility,” it provides ISVs with ample new opportunities to offer clients a more affordable, flexible, and manageable approach to POS while improving the end customer’s shopping experience. The model allows a sales associate to initiate a transaction at the point of purchase, where the customer decides what to buy. The sale can be completed with cash or credit at a strategically placed cash drawer. Using a tablet, the associate can complete the transaction and then print or email the receipt. Shoppers seeking convenience and speed leave the store happier and are more likely to return.

This level of service approximates the experience of Internet shopping — an experience that consumers increasingly expect when deciding which retail outlets to patronize. It explains why a recent Boston Retail Partners study found retailers view mobility as a priority, with 52% planning to implement a mobile POS solution within two years. Another 19% said they plan to deploy mobile solutions in two years or more.

Cashing In

Whether business owners opt for a Thin-bility solution, a traditional POS system, or a hybrid, they might be tempted to give little thought to the cash drawer, not realizing how many options are available. It is, therefore, up to ISVs to educate themselves and their clients — the business owners — on cash drawer options. Those options address a wide range of factors, including store traffic, types of payment accepted, security, aesthetics, store layout, and compatibility with other POS components.



Drawer configurations vary widely. For instance, business owners have to decide how many compartments a cash drawer should have and whether

to opt for a lay-flat drawer that slides open at the front or an inclined till or a vertical till with a flip-up top. Businesses that transact in high cash volumes, such as convenience stores, restaurants, and liquor stores, may require weighable cups designed for rapid coin reconciliation. The cups can be removed at the close of day and weighed on a purpose-built counting device to figure out how much was collected in pennies, nickels, dimes, and quarters.

These considerations are important because cash isn't going away any time soon. Even though a high percentage of POS transactions are completed with plastic or contactless payment via smartphone, many customers still insist on paying with cash. And as long as consumers carry cash in their wallets, POS stations will have to handle legal tender. Beyond that, Intuit estimates that 55% of the 27 million small businesses in the United States do not accept credit cards.



With that in mind, ISVs need to make sure when designing POS systems that they consult with clients on which drawer features and configuration best meet their needs. Picking the right drawer is as important as customizing POS screens for quick transactions. It helps the customer, and it can

benefit the ISV as well. Drawers offer varying levels of functionality, such as remote operation and monitoring, which ISVs can turn into recurring revenue service opportunities.

Connectivity Options

A key step for ISVs in planning a POS solution is figuring out how to connect the various components. In PC-centric solutions, everything is either run from a PC or a server, but the Thin-bility model offers multiple connectivity possibilities. There is no industry standard or obvious connectivity preference; how the POS stations, printers, card readers, and cash drawers are connected hinges on the specific requirements of each business.

ISVs must take into account technology capabilities, budget, store layout, number of cash drawers, and drawer control. In a pure Thin-bility setup, all POS components operate independently, without a PC or server controlling the system. IP-enabled drawers linked wirelessly to tablets, printers, and card readers can be operated from the tablets.

IP drawers are preferable when the POS workstation is a thin-client device, such as a tablet, with no ports for peripherals or where such a physical connection limits the truly mobile transaction. Under this model, businesses can achieve maximum flexibility, completing transactions at the point of purchase, rather than making shoppers queue up at checkout counters. In



**Place it.
Plug it.
Pair it.**



some cases, businesses might eschew printers altogether, opting instead to email or text receipts to customers. Budget-conscious businesses, however, may opt for lower-priced cash drawers that connect to a printer that controls the cash drawers. USB-connected drawers make sense for businesses that use PCs as POS workstations and don't want to rely on the printer interface to control the drawers. In either of these more traditional setups, there may be a server in the background running the whole system.

Service Opportunities

As POS choices increase, thanks to the Thin-bility model, business owners need information about those choices and how they best suit their particular needs.

This opens significant opportunities for ISVs to help clients weigh options and make decisions. And in helping their customers, ISVs will help themselves.



For one thing, ISVs stand to widen their market reach and increase profits with custom POS systems with IP-enabled drawers. The drawers have built-in functionality that ISVs can leverage as

revenue-generating services. Functions include monitoring and remote control capabilities that enable exception management by alerting managers to unusual events. For instance, if a clerk opens a drawer manually, when it is supposed to be opened remotely from a workstation, the system captures the unusual activity and notifies a manager, who can then determine if the exception was legitimate or ill-intended.

Data also is generated on when a drawer is unplugged, moved or opened by someone who is assigned to a different drawer. These types of valuable data, when used for reporting and analysis, can help improve operations and correct bad habits. ISVs looking for recurring revenue can build services around these functions by taking data and delivering it as reports to clients periodically to



help them run the business. ISVs can offer periodic system checkups, reviews of the data, and recommendations for business improvements.

Cash drawers also can benefit ISVs in the following ways:

- Help them serve as trusted advisors, becoming the go-to provider when clients need services
- Improve customer satisfaction and strengthen loyalty
- Edge out the competition in an emerging market

- Increase value-add opportunities
- Find new revenue streams and improve the bottom line.

APG Cash Drawers

APG Cash Drawer LLC leads the industry in IP-enabled cash drawer innovation, offering multiple cash drawer configurations and connectivity options. Clients can choose between standard and heavy-duty models, and a wide range of till configurations, currency storage, and drawer formats, such as lay-flat, flip-top, vertical, or inclined.

Whether clients prefer the traditional PC-centric approach or the Thin-bility model, APG has a full complement of USB-connected and IP-enabled cash drawers for their requirements. APG's fully customizable cash drawers

offer programmable features that provide convenience and flexibility to clients — and service and value-add opportunities for POS dealers.

Conclusion

ISVs work closely with clients to design POS systems that fit a business' specific needs. A key part of that is to configure systems with highly functional cash drawers that help customers run their businesses and generate revenue for ISVs. While credit and debit card payments have increased, cash isn't going away – which means that when considering forms of payment, ISVs need to take cash into consideration for their customers' cash payment needs.



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About APG Cash Drawer, LLC

APG manufactures a broad range of high-quality cash drawers and other related products for thousands of customers throughout the world. During its 35+ year history, APG has built a reputation as the supplier of choice for highly durable and dependable cash drawers. To learn more about APG products, visit <http://www.cashdrawer.com> or call 763-571-5000.