

Koenig & Bauer Banknote Solutions on Cash Innovation & Sustainability



A newly issued Cash Innovation whitepaper by Koenig & Bauer Banknote Solutions (KBBNS) takes a deeper look at why change and innovation are actually required in the way cash is organised and managed in society, while defining the problems that need to be fixed and how to fix them.

As the true 'cost of cash' in circulation becomes more evident and in particular the question of 'who actually pays for cash?' is answered, many stakeholders are asking fundamental questions about cash sustainability in the future, states the company.

In the whitepaper, KBBNS explains that existing cash cycle architectures were designed at a time when access to real time (and aggregate) data on where cash is in society and how it actually flows from one touchpoint to another was largely absent, rendering it impossible to optimise cash movements at a more local and less decentralised level.

In addition, the fragmented nature of multiple cash management organisations using proprietary cash logistics platforms and providing CIT services in the same geographical retail spaces has resulted in a considerable overlap of cash management activity and consequent service inefficiency and redundancy at the retail level.

KBBNS's position is that 'cash works but it could work even better...especially when it comes to how cash is moved, accessed and used in society.' It argues though, that the situation is improving and, 'we are already witnessing significant improvements in how cash is moved, accessed and used in society.'

However, it believes that most innovation in this space is taking place in silos and without involving the community responsible for designing and developing the banknote product.

According to Julian Schubert, Head of the Cash innovation Team at KBBNS, 'if we can already achieve so much innovation without involving the banknote product in the equation, just imagine what is possible when the banknote product is engineered to support and enable cash cycle change and innovation,

'In fact, we believe the missing link or key to significant positive change in cash cycle organisation and management lies within the banknote product itself and we are only beginning to realise its potential as an enabler of innovation.'

In the white paper, KBBNS unveils a family of technologies that enable the physical banknote product to connect with digital data ecosystems, providing an opportunity for cash cycle stakeholders and new innovators to completely reimagine and reinvent the way cash is managed in society and create more sustainable cash cycle models.

Julian Schubert went on to say that; 'the cash cycle of the future will be built upon data that enables the delegation of traditional functions such as banknote processing and even banknote access down to the retail/user level, with only limited support required from outside the local ecosystem. The net effect of this transition from a fragmented yet centralised cash cycle built upon proprietary private cash logistics platforms to a decentralised retail layer or community cash cycle is a more sustainable and equitable sharing of costs and roles in terms of how cash is moved, accessed and used.'

The Cash Innovation white paper shows how a new family of 'bridging technologies' can be exploited by existing and new cash cycle actors to create new business models, while at the same time realising quantum improvements in term of the ecological footprint and cost of cash in circulation.

As Thomas Hendle, KBBNS Director of Sales, notes: 'since the largest source of cost and ecological impact comes from the product service system and not the product itself, it makes sense to address this part of the banknote ecosystem in any endeavour to make cash more sustainable...and this is exactly why we are committed to developing solutions in this space.'

The white paper authors openly declare that success will depend on cross community collaboration at a level never before seen and involve existing and new actors. They also point out that cash cycle transformation will require the active participation of central banks in changing banknote recycling regulations to allow the creation of new cash cycle models.

To find out more about what Koenig & Bauer Banknote Solutions is doing in the Cash Innovation space or receive a copy of their Cash Innovation whitepaper, please contact cashinnoteam@koeng-bauer.com.

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