How *retailers* can go *cashless*

For multi-chain retailers, managing day-to-day expenditure at the store-level is quite challenging. Everything from inventory levels, fixtures, and signage, to packaging, and point of sale service has to work in great tandem and it all comes down to the money used to run these interconnected processes. New- age expense management solutions can help you overcome these challenges.

By Varun Rathi

With the overwhelming development in the e-commerce market, the retail industry is always on its toes, keeping up with competition. The rivalry is simply fierce; businesses and brands are formulating new ways to stand out by creating value-added consumer experiences – both in-store and online. In this experience-driven world – on the forefront are speed, consistency and optimization; the elementary blocks that add up to a great customer experience.

Everything from inventory levels, fixtures, and signage, to packaging, and point of sale service has to work in great tandem and it all comes down to the money used to run these interconnected processes. Store staff needs to have access to money at the right time to run all processes efficiently.

The curse of cash management in retail

For multi-chain retailers, managing day-to-day expenditure at the store-level is quite challenging. How often have you had an executive from the

head-office physically visiting each store distributing cash, only to find out later that the sum he handed over was insufficient, causing further payment delays; or in excess, causing the money to just sit there idle for weeks.

There are three very basic but critical problems in this scenario:

1. The cost and time spent by an executive physically   running around between stores
2. Lack of visibility of how much petty cash a particular store would require
3. Risk of funds falling short or remaining idle resulting in weak cash flow management

Then there are missteps in the manual process, like store staff forgetting to maintain receipts, losing cash or not being able to substantiate purchases. Too often, the store staff reaches out to the petty cash "drawer" for recurring operating expenses, rather than raising separate cash requests and submitting expense claims. Since petty cash bills and vouchers are typically submitted by store employees at the end of the month, finance teams spend days matching the cash given at the start of the month versus cash spent and claimed by store employees at month-end. Delays in reconciliation result in delays in fund transfer for the next month – the vicious cycle continues. Management too has a 30-day delayed visibility into store expenditure.

Now imagine this chaos across not one but 100 stores. The traditional and manual expense management systems fall apart as the number of stores increase resulting in cash leakages, accounting errors, inefficient cash distribution and reconciliation.

Taking back the control of cash

As a multi-chain retail owner, the first thing you can do to solve the problem from its root is to take cash out of the equation. How do you do this? Replace the cash with prepaid cards. Switch to new age expense management solutions in the market that help you to not only transfer cash digitally on cards but also control and track the cash spent across stores from an easy-to-use online platform. Let's take a close look at the benefits such solutions offer.

Petty cash cards to digitize fund transfers and tracking

With the right digital petty cash solution in place, you should be able to load petty cash funds on each store's card, online. As soon as your store staff starts spending the funds, you as a company administrator can track expenses and card balances via real-time data feeds. You are always on the top of expenses

and you know exactly when to replenish funds on a particular store's cards. With real-time fund transfer available at your fingertips, you don't have to transfer all funds at one time. You can pace out the fund loads as per each store's requirements thus keeping your cash flows in check.

Technology to simplify petty cash reporting

Take advantage of the state-of-the-art technology and mobility offered by digital solutions. Empower your store staff to submit their petty cash spends and bills on-the-go. Enable store managers and finance teams to approve expenses online and complete reconciliation within hours instead of weeks.

Spend analytics for better decision making

The analytical dashboards offered by digital expense management solutions can give you a good overview of your organizational expenditure at any point in time; you can even drill down into spends on the basis of specific spend categories, time duration, employees and stores. With analytics, you can track the average fund requirements of each store and manage your cash flows more efficiently. You can also detect anomalies in spend data and take corrective action.

Digitization of retail cash management also helps you reduce your operational costs. Companies that use digital solutions save roughly 80% of the cost spent on hiring people to specially manage manual processes and save 75% of cost spent on travel and courier. **PG**

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The writer is co-founder and COO of Happay, a FinTech company offering state-of-the-art business expense management solutions to corporates. Happay helps companies automate manual processes and manage store-wide expenditure centrally, from an easy-to-use cloud-based platform.