



Coinstar® Case Study: Security Credit Union

Security Credit Union Increases Efficiency and Cuts Labor Costs with Coinstar Kiosks

Cash remains a strong form of payment in the United States. According to a Pew Research report¹, 70 percent of consumers use cash for all or a portion of weekly transactions. When transactions are made with cash, coins in circulation keep churning, and in fact, Coinstar reports that 51 billion coins are in circulation² in the United States. A portion of this change ends up at credit unions, brought in by members for counting and converting to cash.

Does member coin present a challenge or an opportunity?

For Security Credit Union located in Michigan, members bringing in loose change created an opportunity once they installed Coinstar self-service coin counting kiosks at six of its branches. Coinstar kiosks make it easy for members to pour loose, unsorted change into the machine and in minutes, they have a voucher that can be converted to cash or deposited into their account.

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Before installing Coinstar kiosks, Security Credit Union was faced with the challenge of accommodating its members by accepting rolled coin, while still maintaining branch efficiencies.

Katie Krane, vice president of sales and service at Security Credit Union, recounted what it was like before the Coinstar self-service solution. “Our operation and branch efficiency were not optimal as our tellers were dealing with the messy and cumbersome business of coin,” she said. When tellers received loose change from members, they had to count the rolled coin packages that members turned in and trust its contents were accurate. To compound the coin problem, tellers then had to unwrap the coin and prepare bags for the Federal Reserve to pick up once enough change was collected. Coins are dirty, and bags are heavy. “Everything was manual before Coinstar and the process was very labor intensive,” said Krane.

Coinstar’s Turnkey Service a Selling Point

Before choosing Coinstar, Security Credit Union looked at other options, but found that Do-It-Yourself (DIY) kiosk solutions didn’t deliver the turnkey service that Coinstar provides.

These DIY alternatives equated to leasing or buying the equipment. Branch employees are required to monitor the machines and handle and carry thousands of pounds of coin. With DIY, staff must also maintain and repair the equipment or buy a separate service contract and are also responsible for purchasing all supplies such as coin bags. The Coinstar kiosk was the hands-down winner for Security Credit Union, according to Krane. “The advantages of Coinstar over other solutions are its turnkey service and ease of use that leads to reduced labor and branch efficiencies. The service is awesome,” she adds.

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Coinstar has no hidden fees and there is no capital expenditure required. Its turnkey service includes installation, preventative maintenance, coin pickup, reconciliation, reporting and customer support. With more than 25 years' experience and over 100 technology patents, customers can depend on Coinstar's solution. Coinstar's real-time network connectivity and constant monitoring means field technicians are automatically notified when the machine is full or if there's a technical problem that needs to be addressed. This connectivity and kiosk-level information make reconciliation and reporting easy and customizable to meet the credit union's needs.

"What takes Coinstar kiosks a few minutes, could mean hours in the back office for our staff to accomplish manually," says Krane.

Easier for Members and Better for Business

According to Krane, Coinstar's ease-of-use was one of the reasons Security Credit Union installed the attractive, low-profile Coinstar kiosk in six of its branch lobbies. "It's an additional service we provide for our members that they very much value," says Krane. She adds that members can just walk into the branch anytime during business hours and easily process their loose change – no need for them to wrap and roll. They still need a teller to give them cash or deposit the coin value into their account once they receive the Coinstar voucher, but the entire process is much more streamlined. Security Credit Union Premier and youth members (under the age of 23) pay no fee to convert their change at the Coinstar kiosk. The credit union charges non-Premier members and non-credit union members a fee to use the service.

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Krane appreciates that Coinstar kiosks help tellers be more efficient and reduce back-office chores. Before the Coinstar kiosks were introduced at their branches, tellers spent dozens of hours every week processing coin from members and preparing bags to send to the Federal Reserve. To err is human and counting errors can and did happen—by either

"...now our tellers have time to spend with members on services that benefit from personal attention..."

the member or credit union employees. In the event the Federal Reserve received a "short" bag, it was returned to the branch, where the whole process started again. The Federal Reserve assesses a fee for returned bags. At Security Credit Union, by eliminating the tellers from tasks related to coin collecting and counting, they've improved processes and have become more efficient. With Coinstar kiosks installed, members experience shorter lines and tellers are able to direct their attention to other branch business and member care. "Cross-selling is a priority at all financial institutions, and now our tellers have time to spend with members on services that benefit from personal attention like opening new accounts and loan applications," Krane reports.

Coinstar kiosks are designed to be highly accurate with checks and balances in place to verify coin counts. This gives the financial institution confidence and helps things run smoothly.



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“The advantages of the Coinstar kiosk are undeniable. I would recommend Coinstar kiosks to any credit union that wants to improve efficiency and cut down on labor costs,” Krane affirms.

Cash and coins will be part of our everyday lives for years to come and with Coinstar kiosks, credit unions can focus on their businesses and not the business of coin.

About Security Credit Union

Security Credit Union is a community credit union with 11 branch locations in the state of Michigan. It was founded in 1949 and known as Flint Buick Employees Federal Credit Union. The original intent of organizing the credit union was to “encourage and promote thrift and to provide loans for any prudent or productive purpose at a reasonable rate of interest.” Today, 70 years later, Security Credit Union’s mission is to be “a trusted, secure financial cooperative dedicated to providing exceptional value, service, and convenience.”

For more information on how Coinstar kiosks can create branch efficiencies, visit www.coinstar.com/financial_institutions.

Sources:

1. Pew Research Center survey, Oct. 2018.
2. Coinstar, LLC data including coins recirculated via Coinstar kiosks and U.S. Mint coins produced in 2017.