



Electronic Check Conversion Savings

CONVERTING CHECKS TO ELECTRONIC DOCUMENTS AT POS WITH ECC WILL SAVE YOU EVEN MORE MONEY THAN YOU'D GUESS — AND IMPROVE YOUR SHOPPER SERVICE AT THE SAME TIME.

**Now available with
all Connected Payments™
subscriptions, there's no
reason to delay getting
electronic check savings
in your store.**

Electronic Check Conversion long ago proved its value, and with the significant cost savings available to grocers, you'd think that every merchant would have long ago said goodbye to paper check handling. But ECC was not always available from some processors, and the early costs and difficulty of implementing a customized solution stunted its growth.

Besides, aren't checks a thing of the past?

No, checks *aren't* going away – in fact, check writing has been increasing by about 3% annually, and supermarkets are one of the two favorite targets of bad-check artists.

With ECC, a shopper's check is converted to an electronic file right there at the POS terminal. For you, this means no more stacks of checks to add up (twice), no back-room encoding, no armored cars. No waiting 12 days to get the money in your account. Instead, the electronic check zips through your ACH and you usually get your deposit on the second business day.

Industry research shows that your cost to handle the average check may be as high as \$.75. And independent grocers and regional chains often face the brunt of these charges because of bank policies with unfavorable pricing for smaller businesses.

StoreNext has broken through all that with ready-to-run packages for ISS45 and ScanMaster software and WinEPS. Even better, ECC with Electronic Check Authorization is a standard feature with StoreNext Connected Payments, which provides services directly over TeleCheck nationwide authorization and conversion.

Your shoppers get benefits too – greater privacy and protection from identity theft, faster checkout, better proof of the transaction and more detail on their bank statement.

How does ECC improve your shopper service and save you money?

Always first: shopper service You aren't the only one who knows that checks are the slowest tender going: shoppers waiting for checkout groan and roll their eyes when someone starts fishing for a checkbook. But ECC transactions are faster, typically taking about 30% less time than paper checks.

Checkout time: yours too You likely noticed that when shoppers go through your lines faster you can handle more volume without increasing the number of checkers or lanes. And with better service.

Automated deposits You don't have to count – then re-count – those piles of checks so you spend less on back office and bookkeeping time at end-of-day. The results of careful studies show the typical handling cost going down to just one-half of one cent – from the \$.04 you likely spend now.

Lower bank rates Banks have exactly the same paper check handling problems that you do. So lower bank deposit rates are typical since ECC drives their handling costs to near zero. They won't give you all of it back, but a reduction of about \$.05 has been typical.

Faster clearing Checks clear in only two days instead of seven days or more. That money belongs to you, so you may as well get it sooner.

Extra presentment Banks commonly re-present electronic checks at least one more time than paper checks before returning them to the merchant unpaid. The result is that more checks go through, leaving fewer checks you have to chase yourself. And chasing costs you money – about \$10-\$15 just for research, plus those unpleasant bank return fees that add insult to injury.

Faster re-presentment If an electronic check does come back marked not-sufficient-funds, you find out in about four days instead of nearly two weeks. This factor alone enables most average supermarkets to achieve 30% higher collections with ECC compared to paper checks.

Better check auth files Since ECC checks come back so much faster, you can update your positive or negative check system immediately, better preventing future losses.

More hidden costs you can save The ancillary costs of handling both good and bad checks – including armored car expense, avoidable check losses, collection and return charges, etc. – add up to another \$.35 in per-check costs that ECC typically drops all the way down to about \$.02, saving you another \$.33!

Adding it all up You'll probably find that your total savings from ECC will be about \$.40 for each and every check you take. If that's your calculation, you're right in line with the average ECC savings acknowledged across the supermarket business.

SAVINGS EXAMPLE

This chart assumes a store with \$100,000 weekly volume, a \$30.00 average transaction and 15% of all transactions tendered by check. This provides a \$.12 savings per check, net of ECC processor transaction fee.

SAVINGS FROM ELECTRONIC CHECK CONVERSION				
		TYPICAL FIGURES	CALCULATIONS	
			WEEKLY	ANNUAL
1	Store Volume		\$100,000	\$5,200,000
2	Average Transaction	÷ \$30.00		
3	Total Number of Store Transactions		3,333	173,333
4	Percent Check Transactions	x 15%		
5	Total Number of Check Transactions		500	26,000
6	Assumed Savings per Check	x \$ 0.12		
7	Total Savings from Check Conversion		\$ 60	\$ 3,120

CALCULATION SUMMARY

The weekly and annual volumes [1] are divided by the average transaction amount [2] to provide the average weekly and annual store transactions [3].

The store transactions per period [3] are multiplied by the percent of these transactions that are check transactions [4] to provide the number of check transactions per week or year [5].

The number of checks per period [5] is then multiplied by the assumed savings per check [6] to provide the total savings figures per week and per year in [7].

SENSITIVITY

The savings will change in linear proportion to the weekly volume, average transaction, percent of check transactions, or savings per check if all other factors remain constant. For example, a store with \$200,000 per week volume will have double the savings of the \$100,000 store in this example, or a store with half the average transaction price would accept twice as many checks and also therefore would achieve twice the savings amount.



WHERE EVERY DAY IS INDEPENDENTS' DAY

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