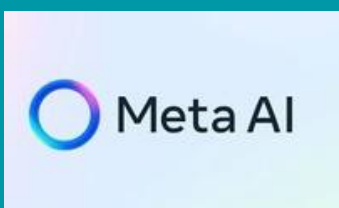


The future and challenges of the cash industry in a lesser cash society

David Fagleman, Enryo Consulting
ESTA Conference
13th May 2025



The future





**THE
FUTURE**



Techno-oligarchs

“A reliable way to make people believe in falsehoods is frequent repetition, because familiarity is not easily distinguished from truth.”

“Life is often more complex than the stories we like to tell about it.”

“A compelling narrative fosters an illusion of inevitability.”

Daniel Kahneman, Nobel Prize winner, Economics.



Looking at the next 50 years

1. Key moments for cash landscape.

2. Cash scenarios.

3. Industry challenges.

4. Industry opportunities.

5. Concluding remarks



2. Key moments





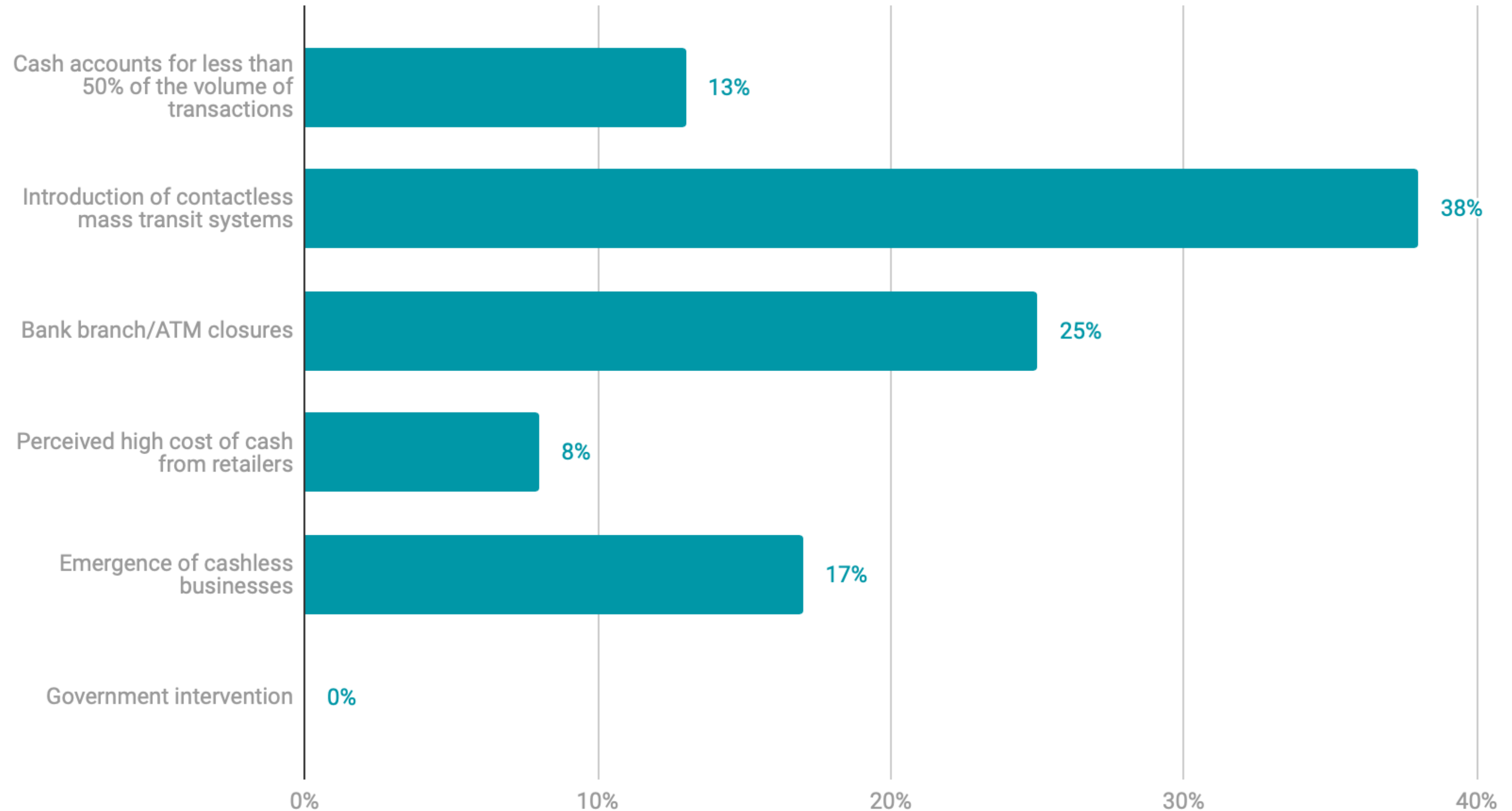
1. Key moments for the cash landscape

* * *

Traditional

- * Cash falls below 50% of transactions
- * Contactless mass transit systems
- * Branch closures /ATM estate reduction
- * Perceived high cost of cash
- * Emergence of cashless businesses
- * Government intervention

What do you think has been the key moment for change in the cash landscape?





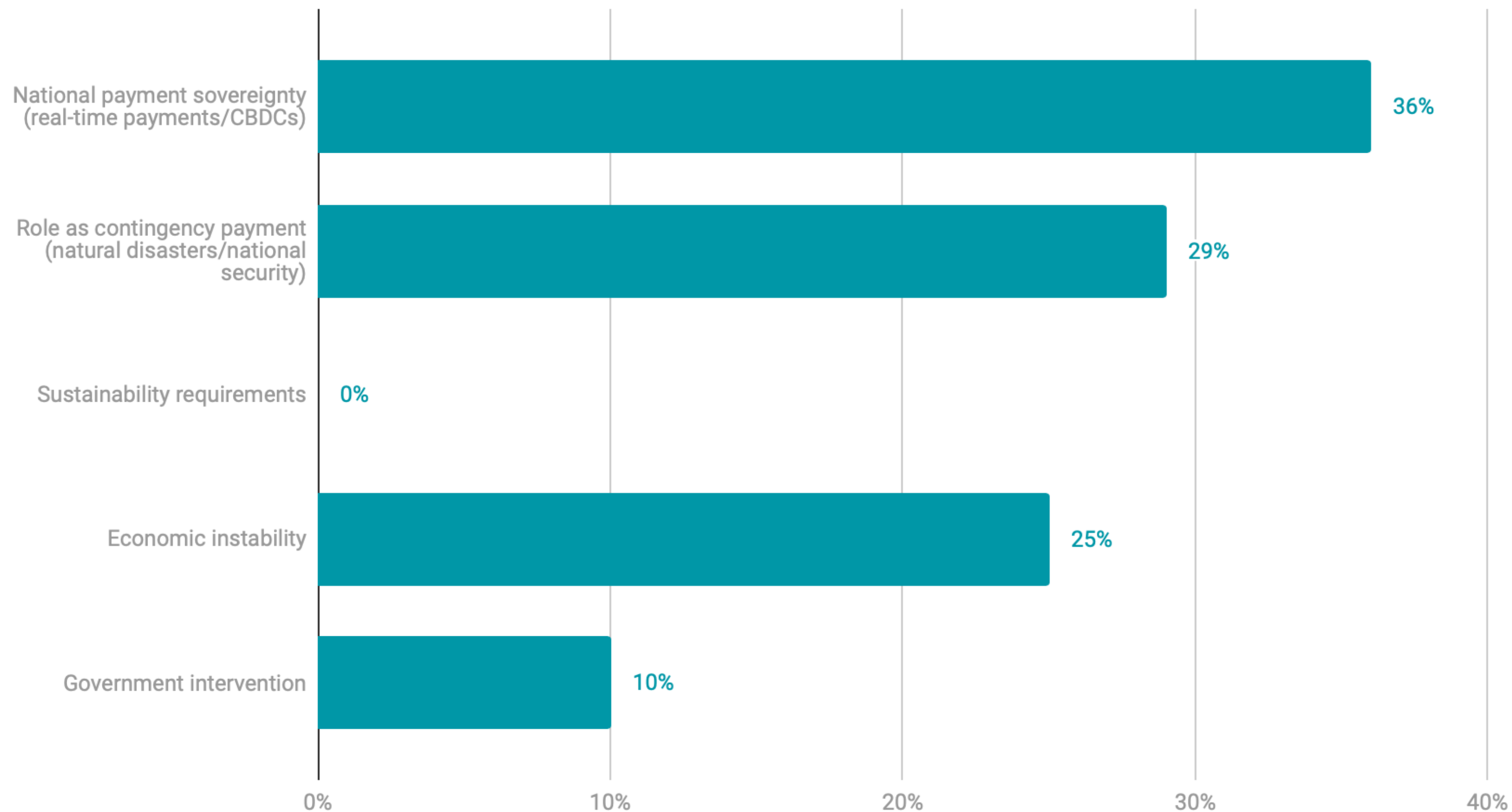
1.Key moments for the cash landscape

* * *

New

- * National payments sovereignty
 - Real-time payments
 - CBDC
- * Contingency planning
 - Natural disaster/power outage
 - National security
- * Sustainability requirements
- * Economic instability
- * Government intervention

What do you think will be the key moment for change in the cash landscape?



The 'Cash Floor'

Moving from decline to steady brings certainty



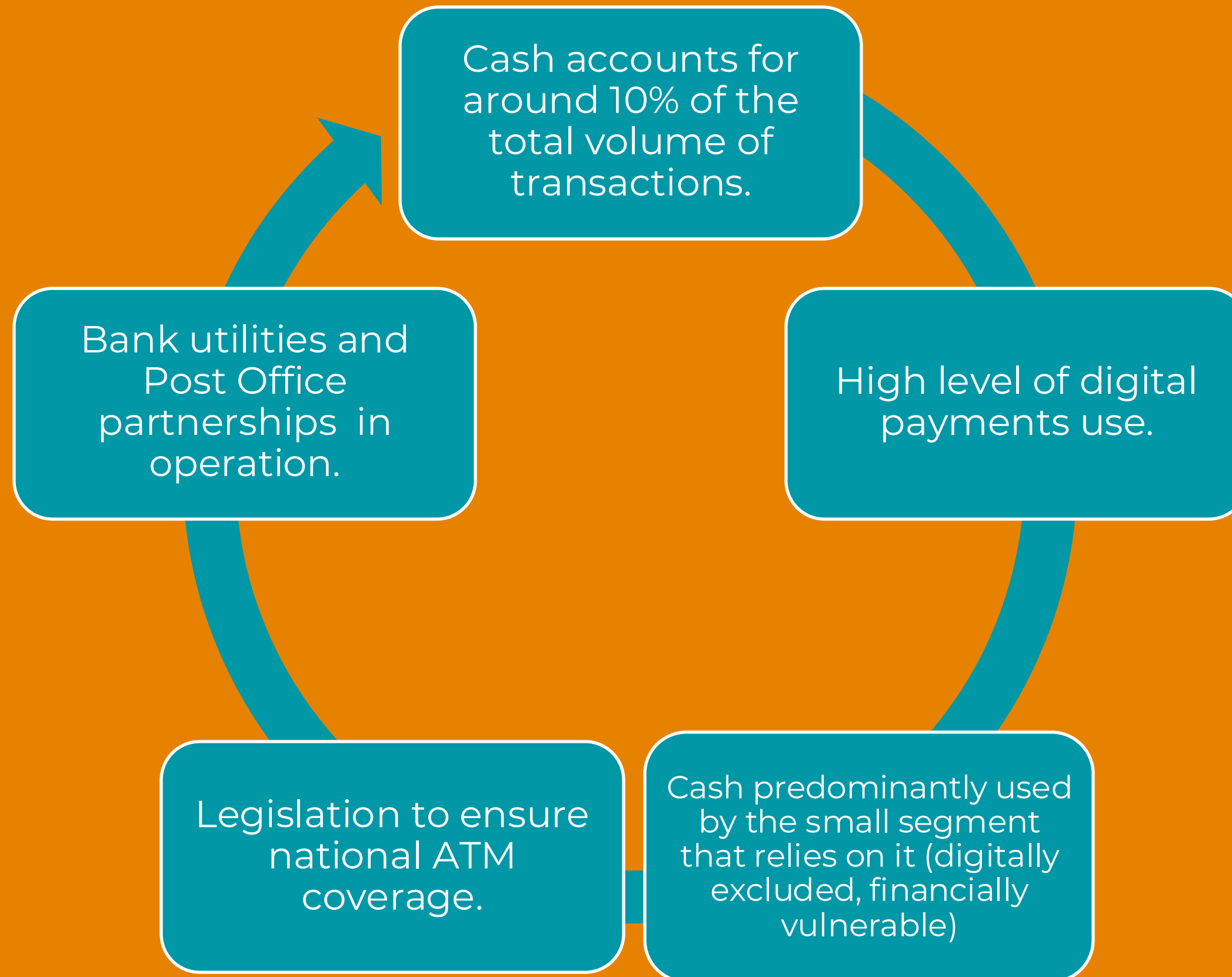
2. Cash Scenarios

Stability

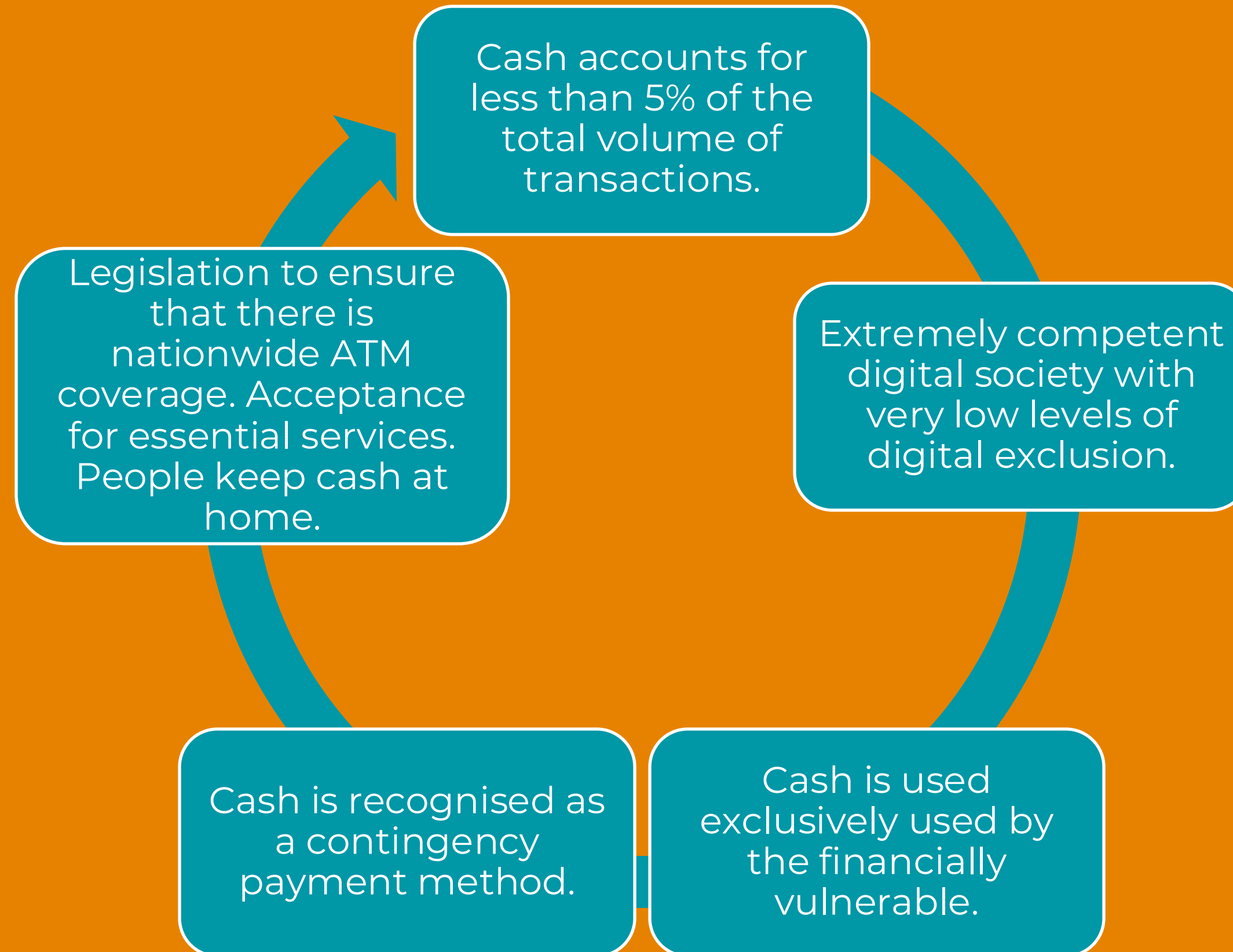
Contingency

Active

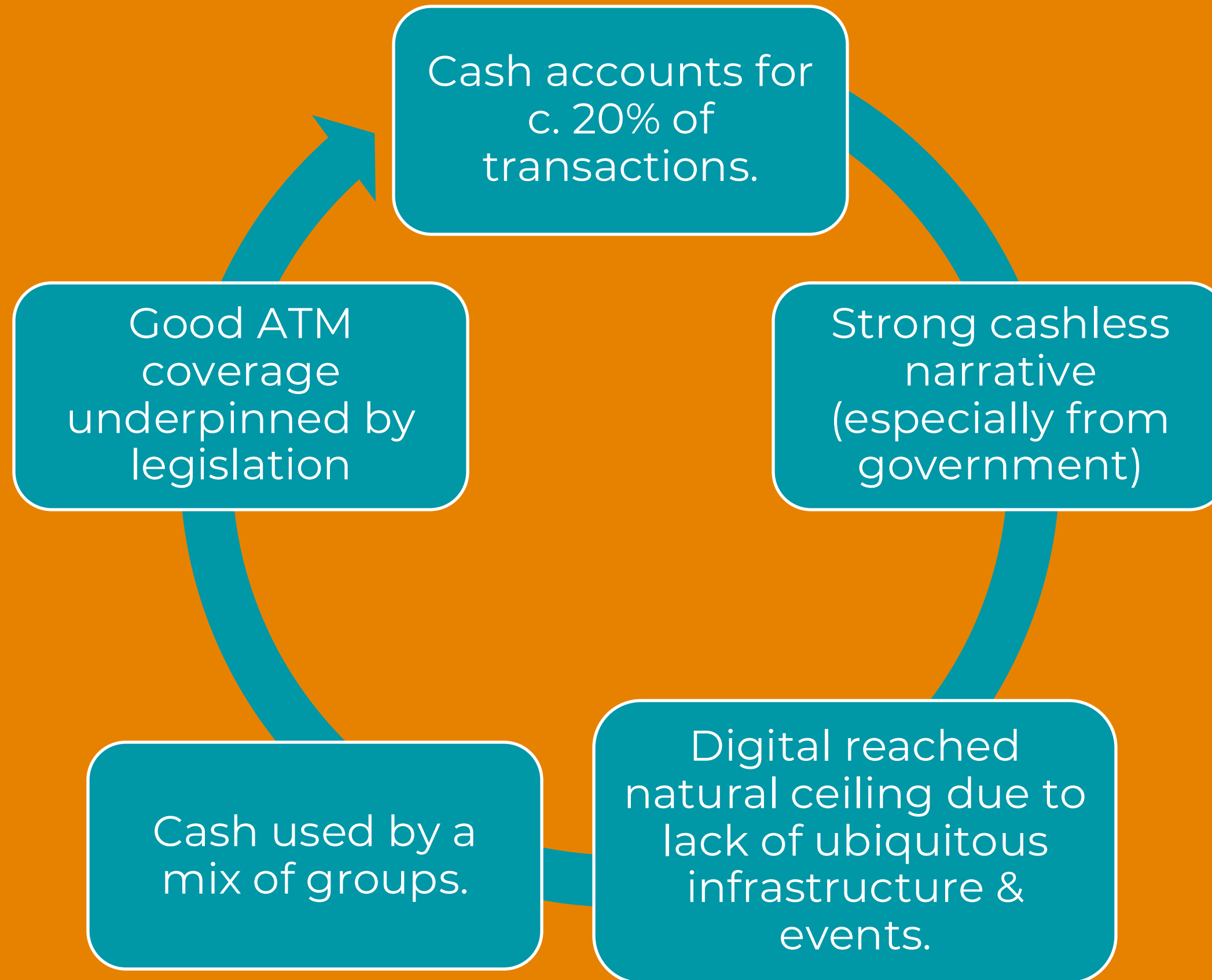
Scenario 1 - Stability



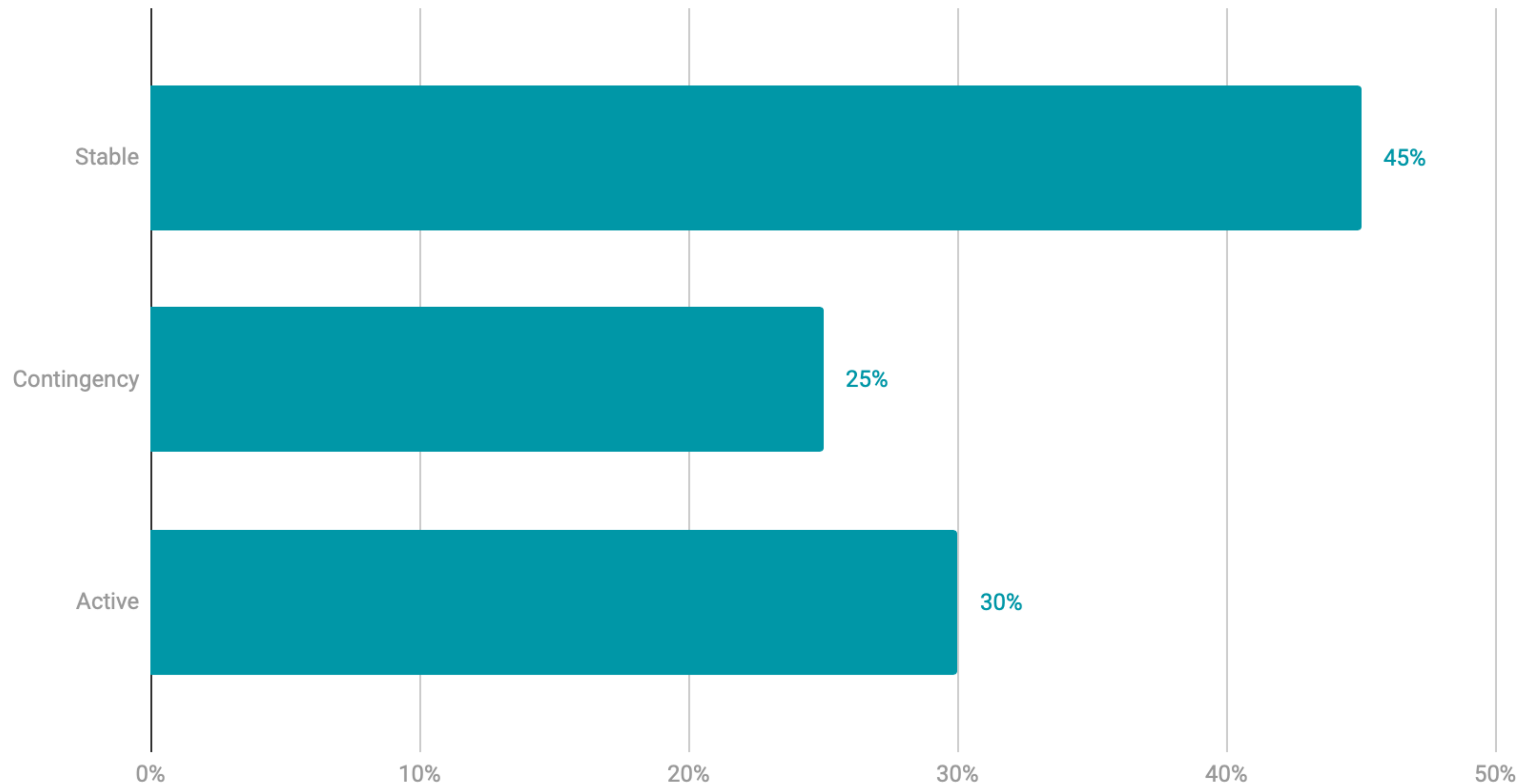
Scenario 2 - Contingency



Scenario 3 - Active



Which of the three scenarios do you think will most likely occur in 10-15 years for the majority of your business operations?





[illegible]

Region	Cash status	Projected status 10 years	Projected status 20 years	Projected status 30+ years
North America	Active	Active	Active/Stable	Stable/ contingency

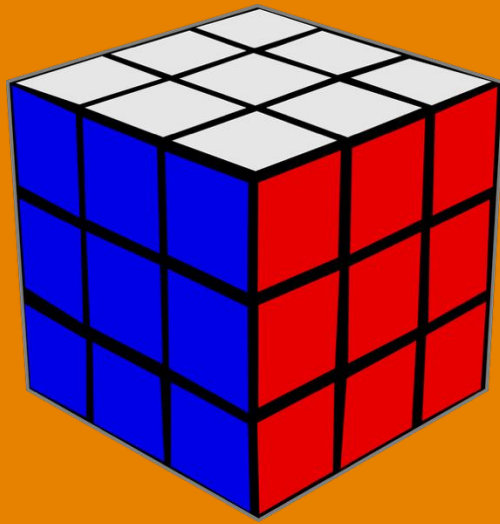
Region	Cash status	Projected status 10 years	Projected status 20 years	Projected status 30+ years
North America	Active	Active	Active/Stable	Stable/ contingency
Europe	Active	Active	Active/Stable	Stable/ contingency

Region	Cash status	Projected status 10 years	Projected status 20 years	Projected status 30+ years
North America	Active	Active	Active/Stable	Stable/ contingency
Europe	Active	Active	Active/Stable	Stable/ contingency
Asia-Pacific (developed)	Active	Active	Active/Stable	Stable

Region	Cash status	Projected status 10 years	Projected status 20 years	Projected status 30+ years
North America	Active	Active	Active/Stable	Stable/ contingency
Europe	Active	Active	Active/Stable	Stable/ contingency
Asia-Pacific (developed)	Active	Active	Active/Stable	Stable
Asia-Pacific (developing)	Active	Active	Active/Stable	Active/ Stable

Region	Cash status	Projected status 10 years	Projected status 20 years	Projected status 30+ years
North America	Active	Active	Active/Stable	Stable/ contingency
Europe	Active	Active	Active/Stable	Stable/ contingency
Asia-Pacific (developed)	Active	Active	Active/Stable	Stable
Asia-Pacific (developing)	Active	Active	Active/Stable	Active/ Stable
Latin America	Active	Active	Active/Stable	Stable/ Contingency

Region	Cash status	Projected status 10 years	Projected status 20 years	Projected status 30+ years
North America	Active	Active	Active/Stable	Stable/ contingency
Europe	Active	Active	Active/Stable	Stable/ contingency
Asia-Pacific (developed)	Active	Active	Active/Stable	Stable
Asia-Pacific (developing)	Active	Active	Active/Stable	Active/ Stable
Latin America	Active	Active	Active/Stable	Stable/ Contingency
MEA	Active	Active	Active/Stable	Active/ Stable



3. Industry Challenges

- **Financial**
- **Operational**
- **Strategic**
- **Change Management**
- **Policy and regulation**

Industry Challenges

Challenge	Elements
Financial	<ul style="list-style-type: none">• Revenue loss• Risk of stranded assets• Pressure on profitability

Industry Challenges

Challenge	Elements
Financial	<ul style="list-style-type: none">• Revenue loss• Risk of stranded assets• Pressure on profitability
Operational	<ul style="list-style-type: none">• Rising unit costs• Route optimization• Labour and workforce

Industry Challenges

Challenge	Elements
Financial	<ul style="list-style-type: none">• Revenue loss• Risk of stranded assets• Pressure on profitability
Operational	<ul style="list-style-type: none">• Rising unit costs• Route optimization• Labour and workforce
Strategic	<ul style="list-style-type: none">• Market consolidation• Product diversification• ‘Technology debt’

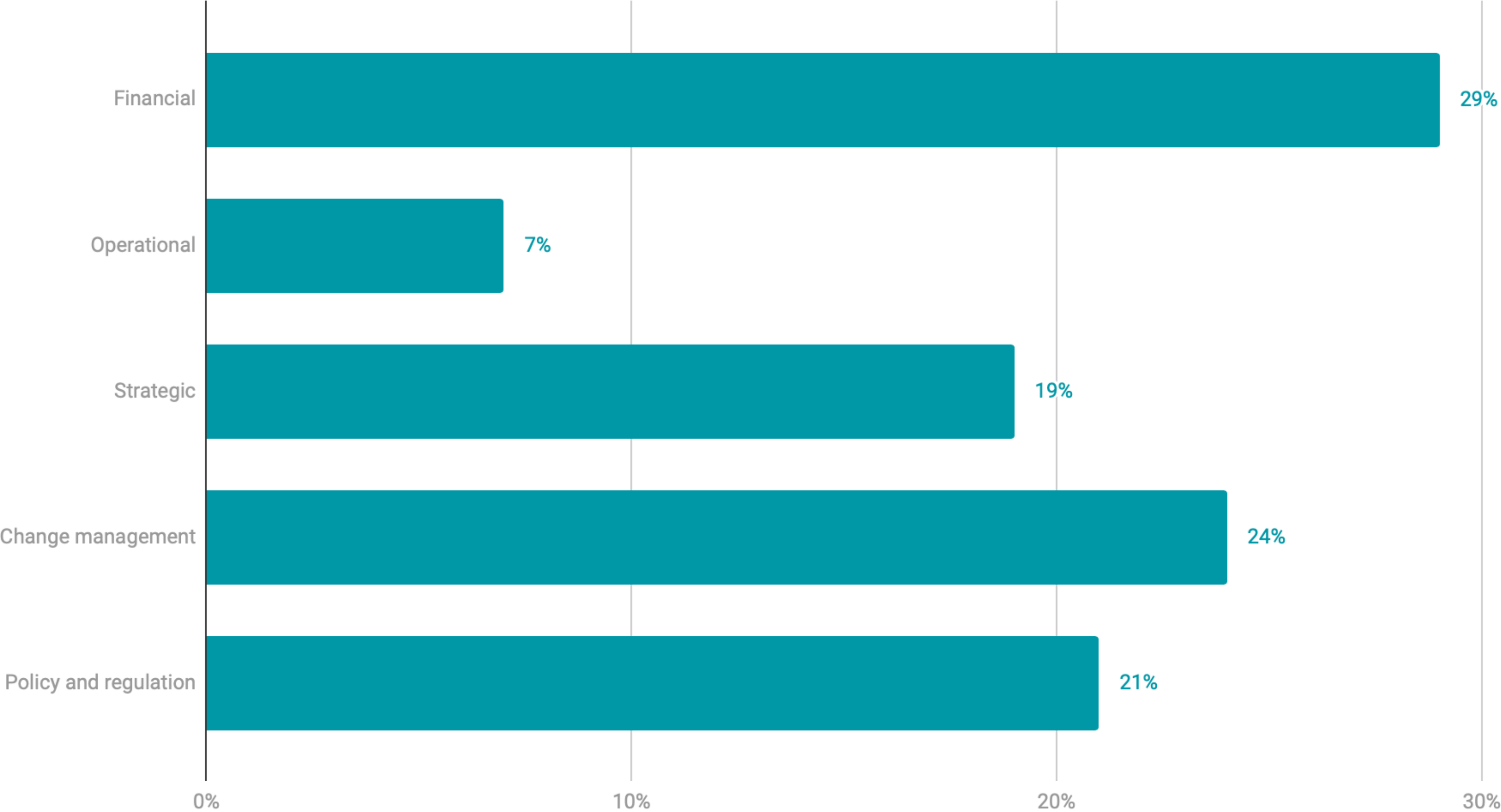
Industry Challenges

Challenge	Elements
Financial	<ul style="list-style-type: none">• Revenue loss• Risk of stranded assets• Pressure on profitability
Operational	<ul style="list-style-type: none">• Rising unit costs• Route optimization• Labour and workforce
Strategic	<ul style="list-style-type: none">• Market consolidation• Product diversification• ‘Technology debt’
Change management	<ul style="list-style-type: none">• Pace of transformation• Internal stakeholder management• Leadership vision

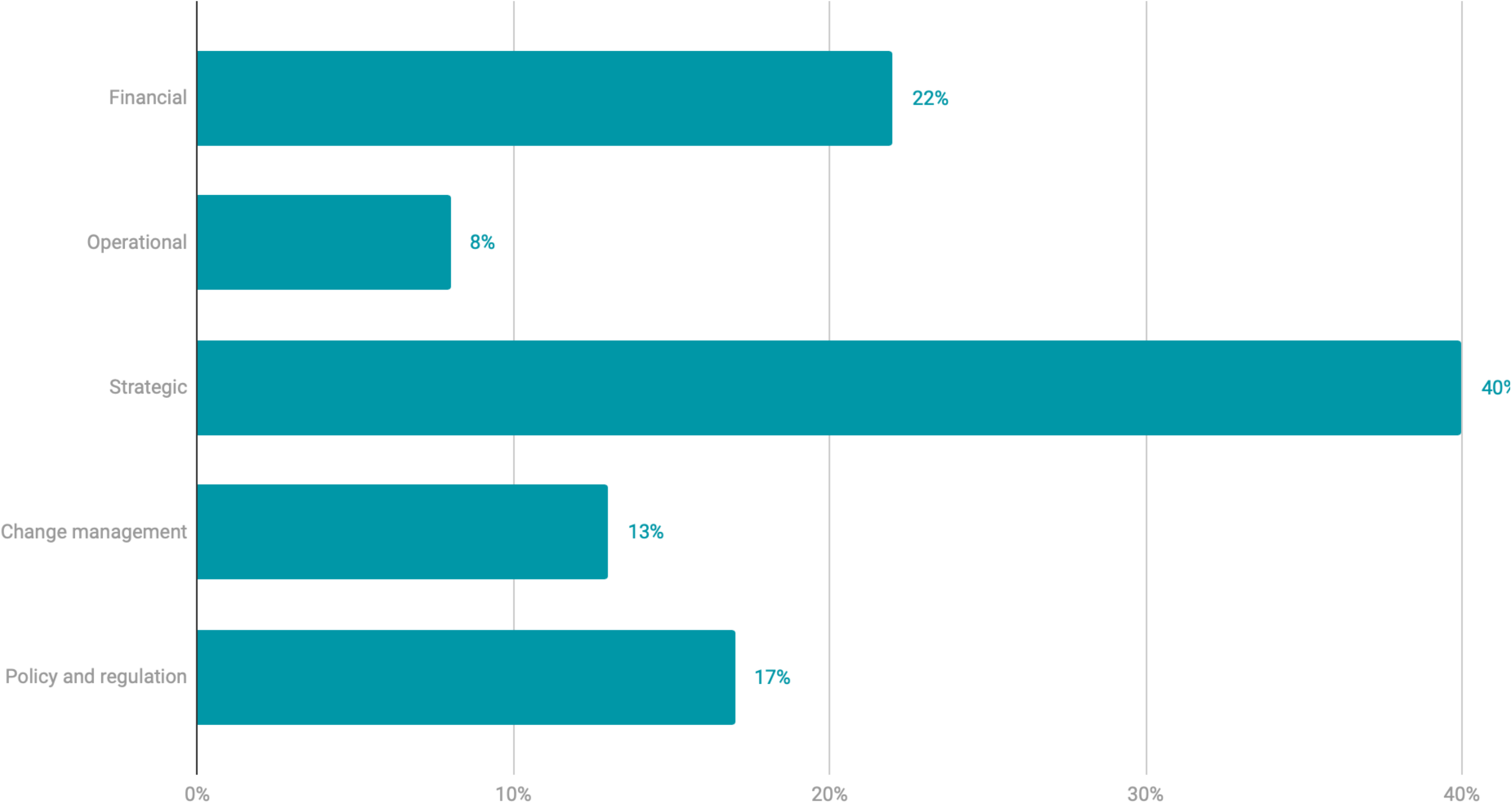
Industry Challenges

Challenge	Elements
Financial	<ul style="list-style-type: none">• Revenue loss• Risk of stranded assets• Pressure on profitability
Operational	<ul style="list-style-type: none">• Rising unit costs• Route optimization• Labour and workforce
Strategic	<ul style="list-style-type: none">• Market consolidation• Product diversification• 'Technology debt'
Change management	<ul style="list-style-type: none">• Pace of transformation• Internal stakeholder management• Leadership vision
Policy and regulation	<ul style="list-style-type: none">• Engaging with government and regulators• Educating policymakers• Responding to interventions

Which of the industry challenges do you think is the most pressing today?



Which of the industry challenges do you think is the most pressing in the next 20-30 years?





4. Industry Opportunities

- **Product diversification**
- **Invest in technology**
- **CBDCs**
- **Policy and regulation**

Industry Opportunities

Opportunity	Elements
Diversification	<ul style="list-style-type: none">• End-to-end cash managed services• Non-secure logistics• Digital payments

Industry Opportunities

Opportunity	Elements
Diversification	<ul style="list-style-type: none">• End-to-end cash managed services• Non-secure logistics• Digital payments
Technology	<ul style="list-style-type: none">• Invest in new technology• AI and ML• Supports sustainability

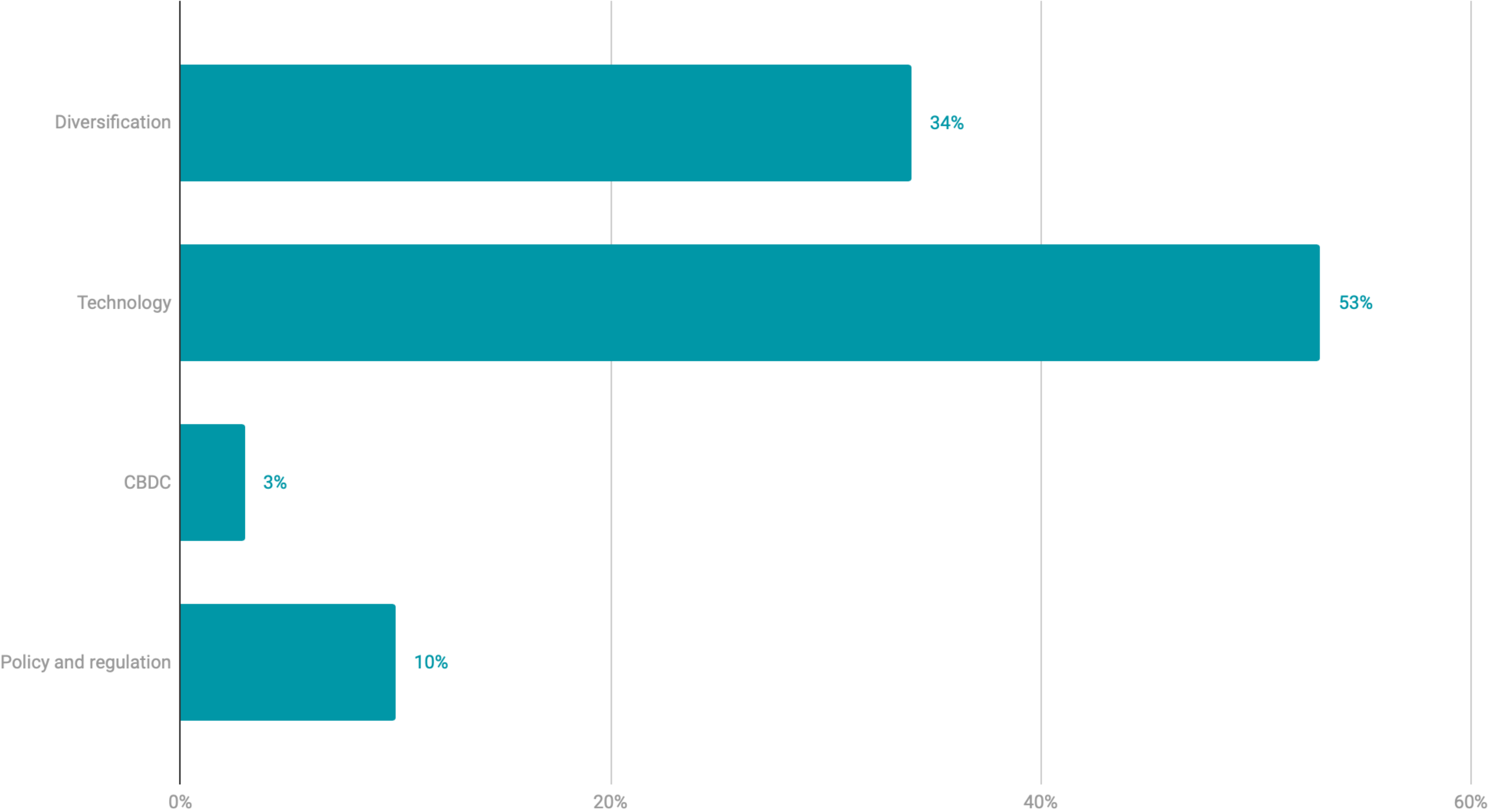
Industry Opportunities

Opportunity	Elements
Diversification	<ul style="list-style-type: none">• End-to-end cash managed services• Non-secure logistics• Digital payments
Technology	<ul style="list-style-type: none">• Invest in new technology• AI and ML• Supports efficiency
CBDC	<ul style="list-style-type: none">• Intermediary-Based Distribution• Cash-In/Cash-Out (CICO) Services• Offline functionality

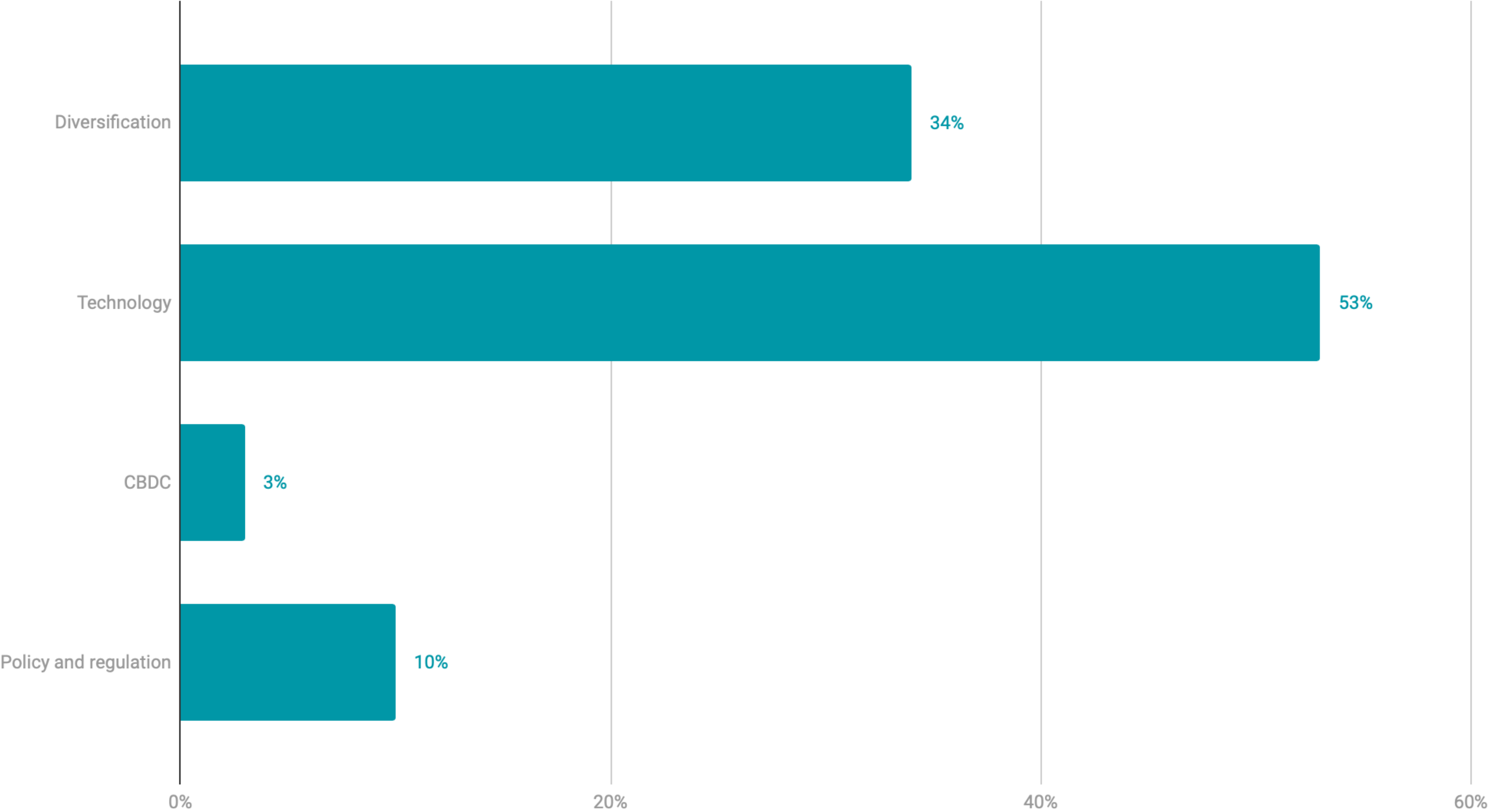
Industry Opportunities

Opportunity	Elements
Diversification	<ul style="list-style-type: none">• End-to-end cash managed services• Non-secure logistics• Digital payments
Technology	<ul style="list-style-type: none">• Invest in new technology• AI and ML• Supports efficiency
CBDC	<ul style="list-style-type: none">• Intermediary-Based Distribution• Cash-In/Cash-Out (CICO) Services• Offline functionality
Policy and regulation	<ul style="list-style-type: none">• Shape the design of interventions• Lobby for maintenance of cash infrastructure• Find a solution to funding model

Which of the industry opportunities do you think is the most important in the next 20-30 years?



Which of the industry opportunities do you think is the most important in the next 20-30 years?



5. Concluding remarks



5. Concluding remarks



Challenges and opportunities in all scenarios



The future is uncertain



Cash will transition from decline to stability



Industry can take control of its future



Engage with government to maintain infrastructure



New opportunities presented by product diversification, contingency role and CBDC

“Cash plays a fundamental role in
society”

“Cash is here to stay”

“No CiT, no cash in the machine”



ESTA
The Cash Management Companies Association

Enryo
Consulting