

# PMNetwork®

## 2019 PMO OF THE YEAR

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From left,  
Amilda Gjecovi,  
Kimberly Johnson,  
Michael Boylan  
and Joyce Walsh  
of Fannie Mae

**SMARTER  
WAREHOUSES**  
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**PATIENT  
POV**  
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**INHERIT  
TRANSITION**  
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**PMI** Project  
Management  
Institute.

## Cashing Out



**"The use of cash is slowing, and we're seeing that right across our store network."**

—Nick Knight, Domino's, Hamilton, Australia

**Cash is no longer king.** In 2018, for the first time ever, the number of global ATMs decreased. Around the world, countries and retailers are launching monetary projects to become entirely digital. Yet for all the efficiencies that might be gained, organizations must deal with technological limitations, increased privacy concerns and customers unable or unwilling to make the leap.

In Australia, global pizza chain Domino's began piloting cashless stores at five locations in July. "The use of cash is slowing, and we're seeing that right across our store network, so it's important that we remain digitally agile and continue to meet consumer demands," says Nick Knight, Australia and New Zealand CEO, Domino's, Hamilton, Australia.

Yet the experience of 7-Eleven Japan earlier this year is a cautionary tale that such projects must be managed with great care. The convenience store chain launched cashless payments for its stores in Japan in July, but the system was hacked within days and ultimately eliminated on 30 September. The security breach resulted in JPY38.6 million stolen from 808 customers.

### Change Over

Domino's will take an incremental approach to scaling up its electronic payment options, a move that eliminates some of the risk posed by switching to cashless payments.

The digital payment system used for the pilots, for instance, had already been installed and available to customers. The goal of the pilots was to remove customers' option to pay with cash.

The greatest concern, Mr. Knight says, was losing customers. Thus far, the team has received minimal negative feedback from customers on the change—a sign that perhaps for many consumers, cashless transactions are already the norm.

"We'll be closely monitoring this trial until we have enough meaningful data to make a decision for the rest of our business," says Mr. Knight.

—Ambreen Ali



JAN TADEUSZ / ALAMY STOCK PHOTO



## Digital Currency

Sweden is expected to become the world's first cashless society as soon as 2023, according to some estimates.

In 2017, the Riksbank, Sweden's central bank, launched a study on creating its own digital currency, the e-krona. Though a digital currency may not be drastic for some citizens—who already use non-cash options for roughly 98 percent of the value of all transactions in their country—the project team is exercising caution.

For one, the Riksbank has not yet made a decision on issuing an e-krona, according to Susanne Meyer Söderlind, a press officer at the Riksbank, Stockholm, Sweden.

Earlier this year, the seven-person project team was procuring a technical supplier to develop and test solutions for a potential digital currency. The project's goals are to develop a proposal for the currency, broaden the bank's knowledge of technical possibilities and investigate the potential effects on the Swedish economy. That requires continuous communication with many stakeholders, Ms. Meyer Söderlind says.

"A dialogue with the general public, payment market participants, other central banks and other central agencies is important in the Riksbank's work," she says.

Any decision on launching a currency will take time. Even though the government has announced 2021 as a goal for viable implementation, Ms. Meyer Söderlind says the project's delivery is dependent on many factors. One of them is a recommendation by the Riksbank that "a committee with broad-ranging expertise be tasked with performing a review of the concept of legal tender and the role of central bank money in a digitalized economy."

The reason, she says, is the scope of the project's potential impact: "The introduction of a state-issued digital krona will affect the whole of society."



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Riksbank, Stockholm,  
Sweden