

# Financing Your Automation and Automating Your Finances

A presentation for:



Introduction and Agenda



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1. Welcome
2. Automating Your Finances Overview
3. ECP Case Studies
4. Financing Your Automation Overview
5. Financing Case Studies

## A/P Process Automation

### Typical A/P Process



- Eliminates 100% of paper from the invoice process through the payment process
- Automates the Accounts Payables activities where the most inefficiencies exist, drastically reduces approval times and internal resource requirements

### Automated A/P Process with Complete Control



- Connects the invoice and payment process under one client portal
- Utilizing a “Software as a Service” (SaaS) model allows for access anywhere there is Internet service

Between 2013 and 2014, PayStream survey respondents shared these insights into the types of payments they use, see Figure 1.

61 percent said their use of checks had decreased, while 37 percent said their **dependence on paper payments had stayed the same**, and only 3 percent said it had increased.

51 percent said their use of ACH had increased, while 47 percent said it had stayed the same, and 2 percent said it had decreased.

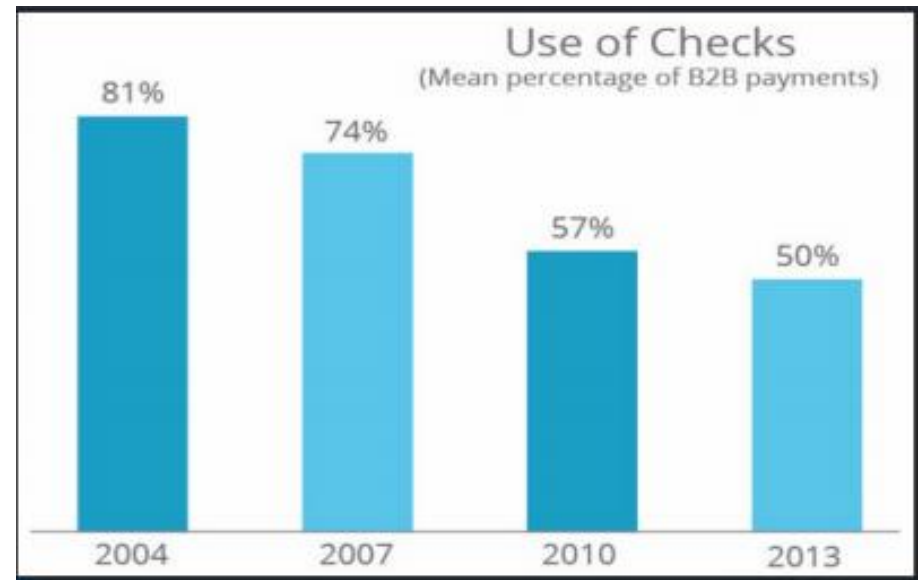
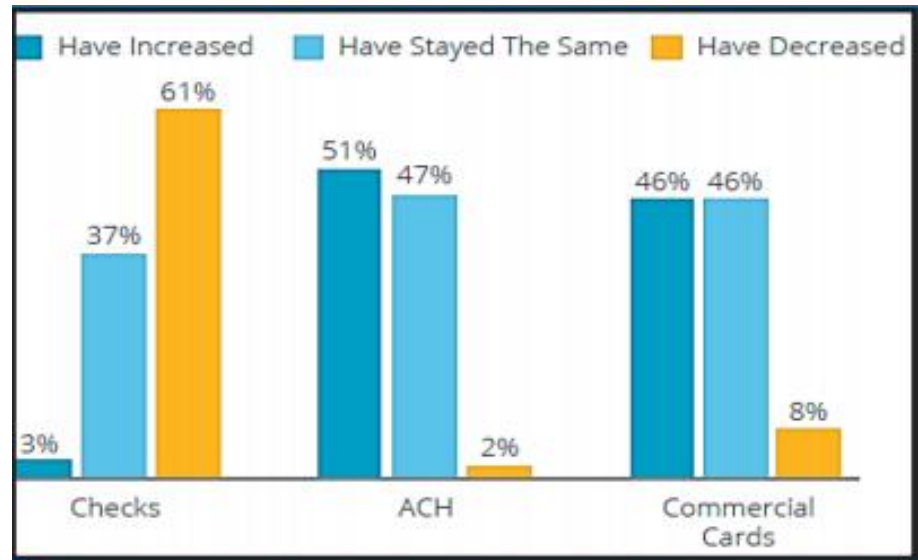
46 percent said their use of commercial cards had increased, while 46 percent said it had stayed the same, and 8 percent said it had decreased.

Figure 2 shows that **paper check use for B2B payments is declining rapidly** in the US and across the world. The primary drivers for implementing electronic payments are:

- Cost savings
- Improved cash forecasting
- Fraud risk reduction

*\*Institute of Financial Operations 2015 Electronic Invoicing Survey Results*

*\*\* Source: 2013 Association of Financial (AFP) Professional Electronic Payments Survey*



### A/P Process – Manual Environment

AP Staff	2 Full Time Employees
Monthly Invoices received	1,000
Monthly Payments created	500
Hours/week AP staff spends on manual tasks	11 Hours
Average processing time per invoice (from date rec'd until ready to pay)	8.6 Days
Average cost per paper check (check stock, MICR ink, envelope, stamp, employee's time)	\$5.14 each check
Average cost per invoice (printing paper, filing, shredding, employee's time)	\$3.00 each invoice
Bank fees per payment (fraud protection, check clearing, etc.)	\$0.75

*A/P Process – Automated Environment*

Reallocate 11 hours/week of AP employee time

Monthly Invoice Savings = \$1,500

Monthly Payment Savings = \$2,230

Monthly Bank fee elimination = \$111

Faster process means the ability to capture early pay discounts with select vendors

Ability to grow without adding FTE to accounting team

Paperless world eliminates need of on-site or off-site filing and storage

Fully researchable invoice and pay history with time stamps = easy to audit and research

KeyBank can offer conventional financing for 2 major CAPEX needs in the Manufacturing industry



ERP System

Equipment



- ✓ Provides visibility across your global supply chain
- ✓ Designed to support multiple manufacturing strategies (ETO, MTO, CTO)
- ✓ IDC Insights discovered that 25% of businesses are implementing cloud ERP and another 20% are considering a move to the cloud in 2016



- ✓ Enhances growth strategy, improves efficiency, and provides capacity for scalability
- ✓ Reduces Asset Obsolescence
- ✓ Equipment Finance Industry Confidence Hits 4 Year High given Equipment purchases from small-medium size clients

### Maximizing your Financing





**Industrial Development Bonds**

Collaboration with Key Government Finance to offer Tax Exempt Financing to qualified manufacturing companies

Low financing costs and no letter-of-credit requirement

100% Advance Rate

Low Tax-Exempt Rates

Step payments to match budget and project's useful life

Allowance for cost of issuance to be included in financing (up to 2%)

The interest paid on the bonds is exempt from both federal and state income tax; therefore tax-exempt IDBs and IRBs offer lower rates than conventional sources. KGF underwrites tax-exempt financing for our own account, Key Government Finance is able to respond to your needs in a timely and efficient manner.

KeyBank offers tailored financing options for your equipment finance needs

\$2,000,000 Total Project



Project was for a current CAMPS member

12 Month Implementation Process

(1) Invoice from Vendor; Multiple Invoices for ancillary equipment

Included various soft-costs including the rebuilding of a bathroom

Structured in 2 Fixed Rate Notes- (1) for the machine; (2) automation and soft-costs → resulted in interest only savings

Permanent Finance → Fixed Rate Prom Note sub 4.25% for 84 months

Vendor/Consultant/Hardware/Software Agnostic

Was able to reimburse any working capital used towards the project; had 25% of total project costs as “soft-costs”; and saved I.O. funds on structuring

KeyBank offers options to Finance ERP and Cloud Based Services

\$1,000,000 Total Project

12 Month Implementation Process

Bi-Monthly Invoices from Consultant

Structured Interest Only Line of Credit to Facilitate Various Invoices over 12 mo

Permanent Finance → Fixed rate note sub 3.99% for 60 months

Encompassed all hardware, software, and consulting fees in financing

Vendor/Consultant/Hardware/Software Agnostic

Customer was able to completely finance a customized ERP system with flexibility, ease, and convenience without needing to jeopardize cash flow