



# How to optimize liquidity in an ever-evolving dealership landscape

“Cash is king” has been an historical truism for decades, but we’ve outpaced this iconic catchphrase. Liquidity management is the new axiom today, and for good reason — it’s no longer as simple as managing cash flow and capital funds. As an auto dealership operator, you understand business success in today’s economy requires a multifaceted approach. With challenges ranging from fluctuating interest rates to looming fraud events, it might be time to reassess your financial strategies, within and outside your organization. Here’s where to start.

## Benchmark your banking relationship

Liquidity management is one of the main pillars of a company’s treasury department because it ensures solvency. But perhaps more important, prudent liquidity management and the right financial resources can help increase efficiencies and even profitability. To help you identify areas of potential risk or opportunity, here are some questions to ask yourself:

### 1. How can I protect my dealership against fraud?

Fraud can pose a significant threat to a dealership’s financial stability. Your bank should have state-of-the-art technologies that provide robust security measures and automation tools to help safeguard your assets and transactions.

### 2. Am I getting compensated fairly for my deposits?

Banks that offer a wide range of products and services can provide opportunities to reduce costs and earn credits against banking fees.

**3. Is my bank talking about liquidity?** Liquidity management is paramount in today’s financial environment. Your bank should be actively discussing strategies to help you optimize this critical aspect of your business.

**4. How does my bank handle surcharge laws and merchant processing issues?** A seasoned financial consultant will keep you informed about the latest regulations and requirements, plus help develop strategies to minimize associated costs.

**5. What's the downside of using my personal credit card for business expenses?** In addition to tying up a credit line you might need for personal needs or emergencies, business credit card transactions will effectively appear on your personal credit report. It's best to separate personal and professional liabilities, which is easy to do with an integrated banking strategy.

**6. Is my payroll automated?** Managing payroll and writing checks can be a time-consuming task that drains resources and creates a vibrant channel for check fraud. Automating this process not only saves time but ensures your employees are paid accurately, securely, and on time.

It's likely your answers to the questions above have provided a baseline for your liquidity position and at least a skeletal road map for how to improve it. But you may also be asking yourself, "How do I achieve all of these goals without complicating the process with multiple banking relationships?"

## Not all banks are the same

While many banks don't offer the comprehensive products and services necessary to optimize liquidity, there are many that do. But you don't need a behemoth financial institution to help you develop a comprehensive liquidity plan.

At KeyBank, we know one size doesn't fit all. We also recognize convenience and personalized service are integral to a successful, long-term banking relationship. Our goal is to ensure your dealership is optimizing liquidity today and prepared for changes ahead, including growth opportunities. We achieve this by providing three distinct advantages under one roof:

### In-depth expertise

With more than 80 years in auto dealership banking, KeyBank has a keen understanding of your unique business model. Our dedicated team focuses exclusively on products

and services relevant to your organization and customers. Working together, we take a holistic approach to design integrated solutions that span your daily business functions and needs, including:

- Deposits
- Fraud prevention
- Payroll/Accounts payables
- Surcharge/Merchant processing

### Economies of scale

The benefits of combining multifaceted expertise and automation under one financial hub are countless. Using state-of-the-art technologies, we create efficiencies by reducing manual banking tasks. For instance, using Key Merchant Services<sup>1</sup> for payables and payment processing reduces operating costs and fraud exposure with increased security for your business and customers. The best part? Using these convenient tools may yield pricing advantages and opportunities to earn cash rebates and credits against your banking fees.

### Exceptional service

In today's dynamic business and interest-rate environment, the ability to walk into your local bank branch and obtain a consortium of products and services at a premium value is no longer business as usual. Orchestrating as a team, we take a holistic approach to your business goals and deliver hands-on, transparent service wherever you or your organization are.

With client service as a hallmark of KeyBank, we're able to help you run your business more efficiently and cost-effectively.

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## Let's collaborate

We have the capabilities to help businesses evolve and prosper, despite fluctuating markets. Contact us today to explore possibilities for your dealership.

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<sup>1</sup> The surcharge must not exceed your cost of acceptance for the credit card product. Each business is solely responsible for ensuring that their surcharge program complies with all applicable card brand (i.e. Visa®, Master Card®, etc.) rules and legal requirements. All credit products and Merchant Services are subject to credit approval, terms of service, and any applicable collateral requirement(s). Fees may Apply.