

Automation: Benefits beyond the obvious

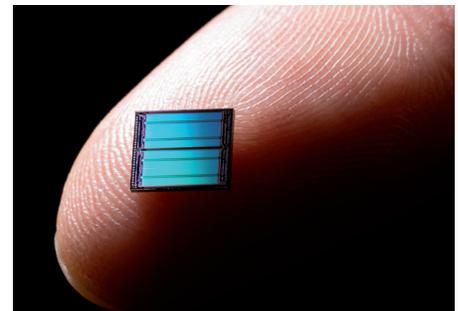
Today, the demand for smart automation spans nearly every business sector. Organizations are challenged to make the most of every resource — capital, material, and human — every minute of operation. Many leaders find that equipment financing not only enables them to expand, pivot, and innovate their business models, but to do so with increased profitability, speed to market, and stakeholder satisfaction.

What does that look like?

Following are some examples of how a few of our clients used equipment financing and automation to enhance productivity and reliability, increase performance, and reduce operating costs. For each of these organizations, moving to automation and robotics was a good return on investment.

Chip manufacturing

Microchips are found in nearly everything today and demand continues to rise. For example, the manufacturing of electric vehicles (EV) alone requires between 300 and 3,000 chips per unit, and EV demand sharply increased by 50% between 2019 and 2020. One Key client that manufactures microchip parts financed Fastems intelligent automation software to address both material and labor supply shortages. By doing so, the company enabled greater resource efficiency, more timely production, less waste, and improved quality.¹



¹ <https://www.fastems.com/sustainability/>

CAD CAM direct milling

New state-of-the-art equipment for another client dramatically increased the volume and accuracy of output while optimizing their use of raw materials. Digitizing the equipment and reallocating this otherwise mundane task allows the machines to be managed remotely and run 24/7, to ensure steady production and minimized downtime for maintenance.

International agricultural grower and exporter

Global food demand is expected to increase by 35% to 56% between 2010 and 2050.² By automating equipment from field to export, our client achieved better nutrient distribution, higher water efficiency, and the ability to process a better yield of superior quality more quickly. Another benefit? Employees are enjoying an improved work/life balance and job satisfaction.

The capital catalyst

Creative, lucrative ideas are abundant among business owners in all industries. Finding the capital and resources to implement them, however, is often a roadblock. In fact, cost is the number one reason why manufacturers shy away from investing in automation.³

Many organizations use equipment financing to help them achieve both immediate objectives and long-term goals. Here's why:

Enhanced cash flow

Financing does not require large cash outlays up front. Fixed monthly payments spread over time free up cash and working capital for other expenses or business needs. This also improves budgeting and forecasting.

Unparalleled flexibility

Leasing your automation assets allow you to "try before you buy," which helps you stay nimble as you determine the best strategy for your goals and opportunities. Other flexible financing advantages include:

- Terms tailored to align with budget and seasonal revenue requirements
- Add-on features support scalability and expansion
- Mid-term upgrades optimize new technologies and protect against owning obsolete equipment

² <https://www.nature.com/articles/s43016-021-00322-9>

³ <https://www.assemblymag.com/articles/96964-justifying-investment-in-automation>

"We leave at 5:00 p.m. and return at 8:00 a.m. to a cabinet full of product ready to ship. That's the quality-of-life factor, the gravy is in the ROI."

Scott Mappin, CEO, Strategy Milling

"The equipment helped us achieve a 15% increase in yield, an estimated 30% increase in quality, higher efficiencies in the processing shed, and reduced claims from overseas customers."

Jason Davenport, Owner/President, Allied Potato

Bundling capabilities

Financing gives you the ability to include all related costs — equipment, software, installation, training and even consulting fees — into one payment plan. This enables you to acquire the total solution you need now, rather than piece-meal your strategy based on a constrained budget.

Why Key?

A sophisticated business model requires specialized expertise and a comprehensive growth strategy. Funding is instrumental to that growth. While some equipment financing companies can provide capital to launch your initiative, many can't offer all the resources critical for success. More important, can they commit to your end goal and provide what it takes to get you there?

We do. Known for our client-centric support and innovative payment strategies, we align our objectives with your goals and tailor solutions to help you achieve them. Here's what you can count on with Key:

- Five decades of equipment financing experience
- Renowned structuring expertise
- Broad industry knowledge
- Deep technical acumen
- Integrated, scalable equipment strategies

Key Equipment Finance



Why invest now?

The continued adoption of automation across the U.S. has helped companies position themselves for growth, while improving resilience against economic disruption. Research from SnapLogic and Cebr found that within three months of investment, U.S. companies witnessed an average year-over-year increase in revenue of 7%, or an extra \$195 billion per month.⁴

What new normal?

Since 2020, the trajectory of business growth has been anything but a straight line. Immediately following the pandemic shutdown, automating processes became tantamount to survival for many businesses. Despite the tremendous loss and confusion COVID-19 imposed on our world, it also presented new opportunities. For some businesses, this meant automating services and/or creating 100% virtual systems; for others, it required pivoting to a new model altogether.

As we learn to adapt and adopt, however — to new technologies, infrastructure, and even work-life balance — new challenges continue to emerge in an unprecedented, unpredictable pattern. U.S. businesses and consumers have been on a roller coaster of cyclical, complex activity for 30 months with no sign of certainty ahead.

More than hope on the horizon

Despite these historically tumultuous conditions, businesses have proven remarkably resilient and resolute. Amidst this unprecedented disruption, however, there's one factor that is equally tenacious and undeniably consistent: the rapid rate of technological advance.

With a smart strategy, nimble culture, and capital solution that can follow your lead, businesses can compete and succeed today.

Where to start?

Whether entry-level robotics deployment or enterprise-wide automation plans, making the shift to digitization requires significant capital and commitment. Key Equipment Finance helps organizations acquire the equipment they need to grow and stay competitive with nimble long-term strategies.

Contact us today to embrace your new journey with confidence.

For more information:

Contact your Equipment Finance Officer at Key Equipment Finance.

\$195 B

Average increase in year-over-year revenue realized per month for U.S. companies within three months of investment.⁴

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⁴ <https://venturebeat.com/2021/11/19/report-companies-that-invested-in-automation-saw-5-to-7-revenue-increase/>

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