

Case Study

Luxury Automotive Retail Company

Luxury auto dealership averages tens of thousands of dollars per month in rebates after automating payments.





CASE STUDY

Industry: Automotive ERP: CDK—AP Assist Revenue: \$1B+ Vendor Payments/yr: 90,000

Client Profile

A luxury auto dealership with multiple locations in the western U.S. had made an acquisition that increased its size by 30% to become a billion-dollar company. This dealership was now poised to take advantage of new economies of scale—but first, the company had to integrate its acquisitions.

Challenge

Centralizing accounting was a top priority. After much research and planning, the dealership embarked on a project to move transactional accounting out of individual dealerships to its corporate headquarters—ideally without sacrificing the level of internal customer service at each dealership. The project would involve moving all 10+ dealerships onto the same dealer management system and centralizing payroll and benefits. "Now, we don't field as many calls on payments. We can go straight to Corpay Payments Automation."

Accounting Specialist

"A new Director of Centralized Accounting came on board to rebuild, but the paperwork problem accelerated so quickly that the dealership filled an entire storage unit witch checks and invoices." They recalled, "One summer I even hired a team of college student temps and had them scan it all into our workflow software." Despite their best efforts to manage the process manually, the problem persisted. The centralized accounting office posted 15,000 invoices per month, each one requiring a paper check with dual signatures for payments. This added up to almost 100,000 paper checks per year for the company's approved signers to manage.



Offloading of all vendor management tasks



Less than one hour per week to pay vendors



\$10,000+/mo in card rebates

Solution

With a quick and simple implementation, the Director's AP department was up and running within 60 days. While the transition was easy internally, the dealership faced an uphill battle with its suppliers.

Once Corpay Payments Automation enabled all of the dealership's vendors for digital payments, they discovered that many of the dealerships had certain small vendors with whom they had made special arrangements to pick up checks in person. As this wouldn't work in a paperless system, Corpay Payments Automation took on the task of onboarding those vendors.

Results

While the dealership's AP team still signs a few checks per run, the process now takes less than an hour per week, and the number of needed signatures is significantly reduced. In addition, the company is averaging tens of thousands of dollars per month in AP card rebates for paying its typical supplier invoices. The dealership has saved money on check printing, bank fees for check processing, and storage. In addition to these savings created by Corpay Payments Automation, the Director of Accounting and their team are freed from wasted hours dealing with payment logistics and management. "Now, we don't field as many calls on payments. We can go straight to Corpay Payments Automation. We don't process as many void checks because they take care of all that for us," they said.

Corpay Payments Automation handles all vendor information management and follows up with vendors that don't accept credit cards, which is now the dealership's preferred payment method.

Transferring all of their services to Corpay Payments Automation hasn't just reduced paper for the dealership – it's also drastically reduced the number of billable hours involved in processing, and enabled the accounting team to reallocate their time more strategically. With centralized accounting running smoothly and electronic payments underway, the Director of Accounting and their team are now focused on new initiatives to leverage the company's larger size.

About Corpay

As a global leader in business payments, Corpay helps companies of all sizes better track, manage and pay their expenses through a comprehensive and trusted suite of online payment solutions. Corpay is also North America's largest commercial Mastercard[®] issuer, handling more than a billion transactions each year. Corpay is part of the FLEETCOR (NYSE: FLT)

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