THE KEYS TO SUCCESS -
Sales, Marketing & Operations

Also inside...
Women in Leasing
Know Thy Vendor
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1. Log into the NEFA website with your individual—not your company—log-in using either of the two log-in points indicated. If you don’t remember your password, use the provided link to re-set or re-create a new one.

2. One you’re logged-in, go to the Education tab in the big blue banner and choose ‘Online Learning Center (Members)’.

3. There’s also a tutorial accessible from that menu.

4. ‘Choose Course Catalog’ in the center of the main menu bar to scan or search for available courses.

5. Hovering over a course will pop up a description of it.

6. Be sure to take the ‘Be a Course Creator’ course to see how easy it is to share what you know.

7. To access (take) any course, click on its ‘Buy Now’ button. Most courses are Free—but going through the Buy Now process puts it in your individual account so you can come back to it and pick up where you left off.

8. That’s it! It really is that simple!

9. Once you’ve selected a course and tied it to your account, it will show up in the ‘My Learning’ tab next time you log in and you can restart it anytime by clicking it’s ‘Launch’ button.

10. After you’ve taken the ‘Be a Course Creator’ course become a contributing part of the community and follow its simple steps to create one or more courses of your own. It’ll be good for you—and good for others!

Community. Education. Professionalism.
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A Message from NEFA’s President

Summertime and the livin’s easy…

…or so we all want it to be! I do hope you are all taking time to have some fun in the sun and enjoy a family vacation or, at the very least, a cocktail outdoors. And I very much want the livin’ to be easy this summer; but I’ve read a few things lately that make me wonder how easy it will be by fall.

PayNet recently released a study that shows that the transportation sector is still struggling, citing “default rates now approaching levels not seen since the tail end of the Great Recession.” And there has been an 11 percent increase in small-business defaults, in general, year-over-year.

Just a couple of weeks ago Reuters reported that U.S. small business borrowing dropped to a six-month low in April, with healthcare seeing a precipitous decrease (14 percent) in borrowing. So, in a nutshell, we are seeing increased defaults, with declining borrowing.

Should we be concerned? Of course. Always. But should we be worried? I don’t think so. And here’s why…our industry – specifically the members of this association – have seen this before. We’ve seen worse. And we’ve not only survived it, but we have since thrived. What does this mean for us? I think it means that we need to be sure to learn from the environment leading up to 2008-2010 (not that I see us getting anywhere near that kind of economic downturn). We need to be making common-sense decisions that put our companies, and those that borrow through our industry, in a position that sets them up for success. We should be helping them acquire equipment that will allow them to grow and profit – without letting them overextend themselves.

We are lucky to have a diverse membership with immense experience surviving economic hiccups. We are fortunate to be part of an association that offers us education to help prepare us for times like these. And we are fortunate to have peers who share their experience and their knowledge, and who we can rely on for advice and ideas.

Just, while I don’t see doom and gloom in the economic forecast, I do see a potential storm. But I will tell you this…I’m not worried about it. We are part of a top-notch association that aids in keeping us informed about the economic environment. Please take advantage of the resources provided to you by the NEFA. Attend a conference to learn from member companies, like PayNet. Pick up the phone and call other members who are willing to share the trends they are seeing in their own businesses.

And in the meantime, work hard and be sure to make time for some of that easy livin’!

Happy summer, friends!

Stephanie Hall
NEFA President
A Message from NEFA’s Executive Director

I’m so proud of this magazine and particularly proud of the many contributors who thoughtfully share such practical and important information within its pages with all our NEFA members. Their doing so is the epitome of what NEFA stands for: Community; Education; and Professionalism.

This issue puts the spotlight on sales and marketing. Those are topics near and dear to my heart since that’s my background in this industry. At my age, I’m fortunate that I don’t need to be starting out in this business, but I’m actually a little bit torn when I think about that. When I see what the technology and information revolutions have brought about, I’m somewhat envious of all the exciting tools both the sales and marketing people have at their disposal today. The mastery of communications tools is at the heart of those two professions and fundamental to maximizing opportunities. With all that said, though, I think I’m pretty content to sit on the sidelines and cheer on the generations behind me.

Regardless of the quality of the information shared, the pages of just one issue of this magazine can only fit so much; but it’s by no means all the helpful information NEFA members share with each other. Very soon we’ll be meeting at the JW Marriott Buckhead in Atlanta, Georgia, for the 2017 Funding Symposium and Annual NEFA Business Meeting. That will be October 4-6, 2017.

Sales and marketing is just one facet of the information being shared there! In our full line-up of focused breakout sessions, we’ll have information for credit and operations people, too, along with information for senior management and legal people. And all of that is in addition to first-tier funding sources and leading service providers who will be exhibiting.

And, hey, this is NEFA, so there’ll be lots of quality networking and lots, and lots, of fun! The Buckhead area of Atlanta is a fine-diner and party-goer’s dream area with tons of great food and entertainment. We’re also returning to the hotel that’s attached to the Lenox Square Shopping Mall for those with a credit card burning a hole in their wallet or purse.

The Funding Symposium also serves as NEFA’s official annual business meeting where we elect new officers and directors, present awards and make other announcements. It’s important for NEFA members to make the effort to be there so they can play a role in shaping the future directions of this wonderful group.

Finally, this is kind of a ‘last-call’ for any of you who made an E1T1 pledge to contribute a piece of educational content to NEFA’s Online Learning Center by the Fall Funding Symposium. You’ve still got time but you need to e working on it. If you need any help, watch the tutorials on our website or reach out to me and I’ll get you back on track with it.

I look forward to seeing you in Atlanta at the 2017 Funding Symposium, October 4-6!

Gerry Egan
NEFA Executive Director & CEO
Beacon Funding Continues Team Growth, Adds Leasing Consultants

Beacon Funding added four Senior Leasing Consultants to their growing team. The equipment financing company has entered an unprecedented period of growth that requires the addition of talented leasing professionals to help the company best serve their clients.

“Our organization is very fortunate to be bringing on such a talented group of equipment financing professionals,” said Beacon Funding President, Toby McDonough. “I am confident that Dominic, Ed, Rob & Bruce will continue Beacon Funding’s tradition of providing our business clients and equipment sales partners with a great equipment financing experience.”

The new Senior Leasing Consultants are as follows:

• Dominic Knight - Knight’s extensive mortgage company experience and quick rise at Direct Capital provides Beacon yet another seasoned consultant empowered to help small businesses get the capital they need to stay competitive in today’s market.

• Ed O’Donnell - With over eight years at Direct Capital, O’Donnell has perfected the art of fostering vendor relationships and helping clients acquire the equipment their businesses need.

• Rob Rohner - Rohner’s time at Direct Capital was marked by stellar performance as a top sales representative, and he plans to bring that success to Beacon Funding.

• Bruce Donaldson - After four years as a top performer at Direct Capital, Donaldson gained numerous selling, leasing, and customer service skills that will be highly valued at Beacon Funding.

Marlin Names Castellini Senior Vice President

Marlin Business Services announced that it has promoted Daniel Castellini to Senior Vice President. In his new role, Castellini will have responsibility for companywide product management. Castellini will lead and coordinate efforts around the development of new small business products that support Marlin’s strategy of helping small business customers fulfill their American dream. In addition, Castellini will continue to lead Marlin’s Data Analytics team. Castellini joined Marlin in 2004 as a Risk Analyst and advanced rapidly in the organization, with his most recent promotion in 2016 to First Vice President.

Madison Capital Hires SVP, Director of Originations

Madison Capital announced the addition of Brent Baron as its Director of Originations. Baron brings over 35 years of experience in the financing industry and will lead the growth of Madison’s originations throughout the U.S.

The Chairman of Madison Capital’s management committee, Mark M. Caplan, commented, “As a leading independent finance company, we continue to invest in both infrastructure and personnel to expand and enhance our services and market share. This is a significant step towards executing on that strategy.”

Prior to joining Madison Capital, Baron performed in several leadership positions including Allstate Leasing where he served as President and CFO for 27 years. Baron also served as CFO at Yorkridge-Calvert Savings Bank and began his career as a CPA with the international accounting firm of KPMG, serving clients in the financial services industry.

UniFi Adds Portfolio, Asset & IT Manager

UniFi Equipment Finance announced the addition of Tony McHugh as Portfolio, Asset and IT Manager. McHugh comes to UniFi with more than 20 years of experience within the credit management industry, serving customers both nationally and internationally. McHugh has managed collections
and default recovery units, business processes, credit and capital units, as well as client services for a number of globally known companies. Much of his time has been spent in Australia, Asia-Pacific, Ireland and the United Kingdom.

Some of McHugh’s greatest strengths are his extensive knowledge of working capital management, partnership development, risk analysis, leadership and debt restructuring. These key assets will prove to be beneficial in his new role at UniFi.

“UniFi is very fortunate to attract Tony, who brings fresh ideas in serving our partners. He has global experience in the leasing industry which will make an immediate impact,” said RJ Grimshaw, CEO of UniFi Equipment Finance.

Key EF Names Bova Equipment Finance Officer, Business Banking Team

Key Equipment Finance announced that Matthew Bova has been named Equipment Finance Officer, business banking team. In this role, Bova will lead equipment financing activities in Cleveland, Akron, and Canton, Ohio.

“Matt has been a leader in the financial service industry for over 20 years,” said Scott C. Edwards, Senior Vice President, Key Equipment Finance. “His continued desire to grow professionally through additional training and industry involvement gives Matt invaluable industry knowledge to assist his clients in identifying the best business financial solutions for each unique situation. I’m thrilled to have Matt on our team and look forward to working alongside him.”

Prior to joining Key Equipment Finance, Bova held a position as a Business Banking Relationship Manager with Huntington National Bank. He also held positions of increasing responsibility with KeyBank, CFC Investment Company and Penske Truck Leasing.

INDUSTRY NEWS

Amur Equipment Finance Opens Philadelphia Office

Amur Equipment Finance (AmurEF) officially opened its Philadelphia office as part of a continuing nation-wide growth and expansion effort. The new office will primarily house sales and marketing functions while serving the entire Mid-Atlantic region of the United States. Scott Hamburg, AmurEF’s Vice President of Sales and an industry veteran with over 25 years of experience, will lead the new regional office and will focus on expanding AmurEF’s current customer base and further developing vendor programs. In the coming months, AmurEF will be making a strong push to hire additional sales personnel and account managers. AmurEF selected Philadelphia because
it is a major economic hub whose central location and strong equipment finance industry presence make it an ideal site from which to serve new and existing customers.

In keeping with AmurEF’s corporate responsibility traditions, the company has already begun to positively embed itself within the local community. AmurEF recently became a Supporting Sponsor for the local chapter of The Leukemia & Lymphoma Society (LLS), specifically supporting Amy Ardito for Woman of the Year. Amy was diagnosed with Stage IV, low-grade, follicular non-Hodgkin’s lymphoma at age 26. She received initial care at Hahnemann Hospital in Philadelphia while being treated by Dr. David Porter from the University of Pennsylvania. Amy was declared in remission in May, 1997; after several more bouts with the devastating disease, sixteen years later she remains cancer free.

“The exceptional initial care that my friend Amy received while in Philadelphia is something to celebrate and support,” said Scott Hamburg. “AmurEF takes the responsibility of being a good corporate citizen very seriously and as we work on growing our presence in the city, we look forward to helping both friends and strangers alike for the benefit of the community.”

AmurEF currently employs over 100 professionals across the United States, with key management, credit processing, underwriting, servicing, and finance functions located in its headquarters in Grand Island, Nebraska. AmurEF also has additional offices in New York, Massachusetts, California, Texas, and now Pennsylvania.

National Funding CEO Named Entrepreneur of the Year in San Diego

EY announced that Founder and CEO David Gilbert of National Funding received the Entrepreneur Of The Year® 2017 Award in the Finance category in San Diego. The award recognizes entrepreneurs who are excelling in areas such as innovation, financial performance and personal commitment to their businesses and communities. Gilbert was selected by an independent panel of judges, and the award was presented at a special gala event at the Fairmont Grand Del Mar on June 12, 2017.

“It’s a distinct honor to win the Entrepreneur Of The Year – Finance award. EOY is the only competitive awards program in the world for entrepreneurs and leaders of high growth companies,” said Gilbert. “It’s great to be in the company of men and women who see past the present to create the future. Through their leadership, they help the economy and our local communities grow. This recognition reflects the efforts of our entire National Funding team, and I couldn’t be prouder.”

Since 1986, EY has honored entrepreneurs whose ingenuity, spirit of innovation and discipline have driven their companies’ success, transformed their industries and made a positive impact on their communities. As a San Diego award winner, Gilbert is
RapidAdvance Announces New Partnership with iPayment

RapidAdvance announced a new partnership with iPayment, Inc. Under terms of the agreement, iPayment will offer RapidAdvance's business lending solutions and alternative financing programs to its more than 140,000 merchant customers.

“We are excited to partner with iPayment to provide fast and flexible business financing for its clients and help meet the demand for solutions that can be tailored to the specific needs and business goals of each client,” said Will Tumulty, CEO of RapidAdvance. “iPayment understands that access to growth capital is an essential component to success for businesses.”

Small business lending is a critical offering for companies like ours,” said O.B. Rawls IV, CEO and President, iPayment, Inc. “After a thorough search and pre-qualification process, we made the decision that RapidAdvance is the right partner for us, and more importantly for our customers. We are excited to bring their suite of offerings to our customers and our partners.”

PayNet, Mirador Announce Technology Integration

PayNet and Mirador announced an advanced integration of technology services for a mutual bank customer. This enhancement provides access to new predictive data and risk management tools that improve credit decisions and operational efficiencies in the small business lending process. In today’s data/analytics environment, businesses face significant challenges and require quick access to information and the most innovative tools to improve profitability and operations, mitigate risk, and lower costs.

“This latest integration allows our customer access to PayNet Credit History Reports, PayNet MasterScore® v2, Legal Name, and other products directly from the Mirador platform,” stated Paul Tennola, Chief Financial Officer, PayNet, Inc.

“Mirador is dedicated to creating more efficient and engaging borrower/lender relationships. This integration with PayNet is another way for us to support our lenders in leveraging technology to create greater efficiencies and profitability with their small business lending relationships,” noted Trevor Dryer, Chief Executive Officer & Co-Founder, Mirador.

Stearns Bank Named Top-Performing Bank by American Banker

Stearns Bank was named the No. 1 top-performing bank in the country. Stearns earned the recognition in the June 2017 edition of American Banker Magazine, which ranked the top-performing...
banks in the $2–$10 billion asset class based on return on average equity over a three-year period.

Stearns Bank was new to this list after crossing the $2 billion asset threshold in 2016. American Banker credits Stearns for having expertise in equipment finance and other specialty lending while “continuing to invest in business lines that helped it achieve loan yields and net interest margin far superior to those of its peers.”

Stearns also achieved the No. 1 ranking as the top-performing community bank in the country from ICBA Independent Banker magazine in its May 2017 edition. That ranking was based on a three-year average return on assets for banks having $1 billion or more.

Sertant Capital Selects ASPIRE from LeaseTeam
LeaseTeam announced that Sertant Capital, LLC has selected ASPIRE™ as its end-to-end lease transaction management platform.

Sertant Capital, LLC is led by a team of industry veteran executives combining over 100 years of experience within the financial services and equipment finance industries. Sertant provides capital strength, transaction expertise, and an unrivaled focus on building funding partnerships with originators and advisors of all kinds.

“We chose the ASPIRE platform because of its highly reputable position in the equipment financing industry and its unique ability to be tailored to our company's specific needs,” said Dan Krajewski, EVP & COO of Sertant. “Our business and our customers require that we are able to offer a wide range of financing products and the ASPIRE platform gives us the ability to accurately input, track, and report across a wide range of financing products and structures.”

“We're excited to add Sertant to our growing list of ASPIRE users,” said Jeff Van Slyke, President at LeaseTeam, Inc. “The ASPIRE system’s configurability provides Sertant the flexibility required to manage their diverse portfolio effectively and efficiently.”

LeaseQ to Double in Size Following Series A Funding, 19 Hires in 2017
LeaseQ, an online marketplace and finance platform connecting business owners, equipment sellers, and lenders to make selling and financing equipment fast and easy, announced plans to double the size of the company in 2017 with 19 new hires, service expansion into three new vertical markets, and same-day financing with instant quotes.

“ELFA (Equipment Leasing and Finance Association) recently reported that 8 in 10 U.S. businesses finance their equipment to manage risk, maintain cash, keep up-to-date with technology and more. There is a clear need for automated equipment financing solutions like LeaseQ,” said Vernon Tirey, Co-Founder and CEO of LeaseQ. “Our vision for LeaseQ has always been to make equipment financing easy, fast and more cost effective, and today, we're doing that for borrowers, lenders and vendors in 28 vertical markets with more on the horizon.”

LeaseQ began hiring for its Funding and Sales teams earlier this year, and plans to add a total of 19 new employees in 2017. The additional staff will support development of same-day financing, and help service new vertical markets in machine tools, high tech and cannabis. LeaseQ is currently hiring sales leadership for all three groups.

LeaseQ currently supports borrowers, lenders and vendors in 28 vertical markets on its automated equipment financing platform, with recent expansions into commercial trucking, brewing and foodservice packaging. In November 2016, LeaseQ acquired Noesis, the leader in commercial building equipment financing, to better serve building equipment manufacturers, distributors, contractors and their customers. LeaseQ continues to partner with leading lenders and equipment sellers, and joins relevant trade organizations in every vertical it serves.

Key drivers of LeaseQ’s growth include a recent Series A funding round from existing angel investors, sales success with a
focus on food and beverage, and strategic executive hires, including John Caruso, vice president, funding operations.

**AP Equipment Financing Implements DocuSign and eOriginal**

AP Equipment Financing announced the successful implementation of DocuSign electronic documents and eOriginal document vaulting.

DocuSign and eOriginal are industry leaders in digital signature authentication and electronic document management, delivery, and storage. AP has built a reputation for fast and flexible equipment financing programs, and the adoption of DocuSign and eOriginal further demonstrates their pursuit of excellent service and products. During the two-week live testing, AP had successfully completed over 40 contracts via electronic documents and saw, on average, a 35% decrease in contract completion time.

“Our team’s ability to integrate a digital documentation and signature system to process our contracts is a pivotal moment for AP. As the company continues to grow, it is important that we make the process more efficient and easier for our valued customers and business partners alike,” stated Raquel O’Leary, CLFP, Senior Vice President of Operations. “We want to make sure that if you’re engaging with AP, in any fashion, it is a positive experience and electronic documents is one way to make things easier for virtually everybody.”

Digital documents are not only more efficient for AP’s customers, but also for its vendor partners. The process allows mutual customers to complete documentation without the usage of printers or the physical mailing of contract documents, thus facilitating a quicker and more secure transaction for all parties.

**Ascentium Capital Surpasses $3.0B in Origination Volume**

Ascentium Capital LLC announced surpassing $3 billion in origination volume since the company’s inception in August 2011.

“This milestone represents the doubling of our funded volume in less than two years. It is gratifying that our forward-looking client solutions underpin the demand for our small business lending solutions. This enables us to capture significant market share,” commented Tom Depping, Chief Executive Officer at Ascentium Capital.

**BlackRiver Business Capital Closes New Credit Facility with SunTrust**

BlackRiver Business Capital announced that it closed a new credit facility of up to $20 million with SunTrust Bank.

“BlackRiver Business Capital has grown rapidly since our inception in August of 2015. We are thrilled about our new partnership with SunTrust Bank and their outstanding team. This new relationship and credit facility will further enable us to invest in our growth and effectively implement our long-term business plan,” stated Rob Childers, President and co-founder of BlackRiver Business Capital.

**Marlin Launches New Financing Program for Aptean**

Marlin Business Services and Aptean, a global provider of mission critical enterprise software solutions, announced they have entered an agreement for Marlin to support Aptean’s North American operations with financing options for its customers. Marlin’s financing options will be available through Aptean’s direct sales team and accessible via its online portal.

The new strategic alliance will enable customers to acquire Aptean’s indus-
try-specific software solutions with Marlin’s fast, convenient approval process. Customers will also benefit from Marlin’s extensive vendor finance and technology industry experience.

**Navitas Credit Corp. Launches Small Business Lending Site**

Navitas Credit Corp. announced the launch of www.navitaslending.com, designed to meet the diverse financing needs of the small to mid-size business sector.

Navitaslending.com provides a single destination for business owners to access the best financing solutions available in the marketplace to meet their equipment procurement and cash flow needs. A full range of equipment financing and working capital products are available to select from. Visitors can easily apply for credit on the site or request a consultation from Navitas lending experts.

Gary Shivers, President and CEO of Navitas added, “Working directly with business owners to provide them with a broader range of financing products is a core initiative at Navitas. Our product offerings that have helped business owners achieve their financing objectives have significantly grown over the last several years. We created this site to make it more convenient for our commercial customers to find the financing options that are more meaningful to the way they do business.”

Visitors will also find educational content on the variety of lending programs as well as how financing can help them achieve their business growth goals. Support for site inquiries will be directed to the Business Lending Division of Navitas, located in Atlanta, Georgia. Navitas plans to continually add new content to the site, providing business owners with the resources they need to make smarter financing decisions.

**TEAM Funding Solutions Joins Mintaka Financial Roster of Partners**

Mintaka Financial announced that TEAM Funding Solutions has joined as an origination partner. TEAM Funding joins 10 other small business lending organizations that comprise the Mintaka Financial equity stakeholder group.

“Mintaka Financial is pleased to have TEAM Funding Solutions joining the ranks of our Mintaka Partners. We look forward to their contribution to the funding products Mintaka offers and to the potential to attract new small business profiles,” stated Quentin Cote, SVP of Mintaka Financial. “The commitment to their customers, demonstrated by the sincere manner in which they discern unique situations, and small business funding needs, makes them an ideal addition to our Mintaka family.”

“Our mission is simple — listen to the stories of those who need funding in order to get a true understanding of the business owners and their unique situations,” added Ted Reynolds, President of TEAM Funding. “By joining the Mintaka Partner
program we will be able to expand our capabilities as an Originator, ultimately allowing us to grow as an organization and better support small businesses across the country.”

Ascentium Capital Completes Seventh Securitization

This transaction represents the Company’s seventh securitization since 2012. “As the demand for our small business financing solutions increases, this securitization provides liquidity to meet our strategic growth strategies. We are pleased to see the market interest for bonds backed by high quality assets,” remarked Tom Depping, Chief Executive Officer at Ascentium Capital.

SECTOR NEWS

Equipment Rental Industry Poised for Stronger Growth in Five-Year Forecast
The five-year forecast for equipment rental industry revenues released by the American Rental Association (ARA) continues to call for steady gains and expectations for growth are greater than in the February forecast.

ARA projects U.S. equipment rental revenue to reach $49.4 billion in 2017, up 4.5 percent over last year. The February forecast projected U.S. equipment rental revenue of $48.9 billion in 2017 and an average annual growth rate of 4.6 percent to reach $56 billion in 2020.

The May 3 forecast calls for U.S. rental revenue to grow 4.7 percent in 2018, 5.1 percent in 2019, 4.6 percent in 2020 and 4.4 percent in 2021 to reach $59.4 billion combined for the three segments of the industry, including construction/industrial, general tool/light construction and party/special event.

This is the second consecutive quarterly forecast to project stronger growth during the forecast period compared to the previous quarterly update of the ARA Rental Market Monitor subscription service by IHS Markit, the economic forecasting firm that compiles the data and analysis as part of a partnership with ARA and RENTAL MANAGEMENT.

“The equipment rental continues to post strong performance numbers with annual revenues closing in in the $50 billion mark this year,” said John McClelland, ARA’s vice president for government affairs and chief economist.

“The issues going forward are how the Congress is going to deal with tax reform and infrastructure spending. If tax reform can lower rates and simplify the code for all businesses that could be a sign of even stronger growth and a strong infrastructure bill will add to that momentum,” McClelland said.

Scott Hazelton, managing director, IHS Markit, said weak first quarter numbers for the U.S. gross domestic product (GDP) masked solid demand for investment, which will help fuel growth in equipment rental revenues.

Hazelton also said policy uncertainties continue to temper the forecast because of unknowns. “Good decisions could improve the outlook while poor ones could substantially diminish it. However, the trends to date suggest strong equipment rental demand for 2017, 2018 and beyond,” he said.

Despite sluggishness in nonresidential construction, contractions in real residential construction and uncertainty of additional infrastructure spending, the construction and industrial equipment segment and general tool rental segment are projected to achieve compound annual growth rates (CAGRs) of 4.1 percent and 6.1 percent, respectively, between 2017 and 2012, according to the ARA Rental Market Monitor.
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Know Thy Vendor – Keys to Success in the Vendor Market

Understanding the world of the equipment vendor is one of the hallmarks of building a successful vendor relationship. In this Q&A, Stuart Goddard of Byline Financial Group describes this ongoing dynamic and provides insights into some new market nuances.

Newsline: Byline Financial Group, a wholly owned subsidiary of Chicago based Byline Bank, works closely with vendors in various industries. How important is industry specialization to vendors?

Goddard: First off, let me start by saying that Byline Financial Group is a small-ticket lender. Our transactions tend to be under $500,000. With this market segment in mind, I do believe there is a distinct advantage for a lender who possesses expertise in the different vertical markets they operate in. At Byline for example, we align our salespeople and efforts to serve seven distinct vertical markets and we expect our salespeople to learn those markets, understand the dynamics and competitive landscape of their market segments (including the vendors and other lenders that are active in those segments), and have a fully developed understanding of specific equipment types common to the segments they serve. We believe this approach provides a certain advantage over lenders that operate as generalists when trying to initiate and develop relationships with vendors. Simply put we can talk a vendor’s language and by doing so they realize our market-specific expertise is an asset available for their use that will assist them in overcoming customer objections and selling obstacles they face during their sales process.

Newsline: Beyond creating a sound overall vendor finance program, is it still safe to say that success in the vendor market comes down to building relationships and credibility with the vendor salesforce as well?

Goddard: Absolutely! Of course it takes time as there are multiple phases to the selling process. Building rapport and trust with the vendor salesforce via consultative selling is critical to success. At times it takes a while for the vendor’s sales leadership to recognize and acknowledge the market knowledge we bring to the table, but somewhere down the line, it definitely comes into play and definitely helps position us as a preferred financing partner they feel confident presenting to their customers.

Newsline: When seeking to establish a new vendor relationship, what are some best practices “relationship hunters” should employ to win new relationships?

Goddard: Today’s lending environment is very competitive and we’re all selling the very definition of a commodity — money. To me, it all comes down to knowledge. Do your homework so you are prepared … know the vendor, know the products they sell and their product price-points, know the competitive landscape they operate in, review their website to see if they’re using financing now in their sales cycle, and if so, understand how they position financing during the sales process. Equally important, know how they go to market: Do they sell directly to end-users, do they sell via a distribution channel, or do they do both? Once you have all that knowledge, you will be in a better position to engage with the vendor and their sales leadership with the goal of ultimately creating and offering financing solutions that help them meet their goals and overcome whatever challenges they encounter in their sales process.

Newsline: How have vendor expectations of their finance partners changed over the past five years? Has the growth of technology impacted how success is measured in the vendor finance space?

Goddard: I think vendors now expect more from lenders than they once did in the sense that the products we offered were at one-time considered special or somewhat unique. But this is no longer the case as most financing products have become standardized. For example, deferred payment options and vendor pre-funding – these are two options that are now far more standard, whereas ten years ago they were unique and special. So it’s hard to differentiate yourself by only offering those options because most companies offer them today; you must offer more, maintain flexibility, and have a keen sense of urgency with respect to any request or initiative which is
visible to a vendor. With respect to technology, data mining has become a key buzzword in recent years, but in terms of visibility to a vendor, I feel the growth of e-docs over the last five years has had the greatest technological impact on our industry because the growth of e-docs speaks directly to the speed available today for the delivery and completion of a financing transaction. The speed with which a lender can turn anything around – including document delivery and execution by a customer – are very visible within the vendor space. E-docs allow for almost instantaneous delivery and execution of paperwork. This accelerates the entire vendor sales process and leads to closure and payment much more rapidly than was possible in the past. Another technology that is important in the vendor space today is having web portals that provide vendors access to information about their portfolio so they can track sales opportunities and manage future upgrade opportunities.

**Newsline:** Please describe some of the methods used to effectively and consistently communicate with your vendor partners? Is the phone still an important part of the relationship?

**Goddard:** It’s important to note that in Byline’s world, our primary customer is the vendor partner. With that in mind, yes, we think that old-fashioned phone conversations and face-to-face meetings are very important in relationship selling. The phone conversation is still very, very important in the development and nurturing of a relationship; once the relationship is established we feel this level of personal engagement is essential in helping us create and deliver financing products that our vendors’ customers need. As an ancillary benefit, we also believe a high level of personal engagement maintains a certain barrier to competitive threats and can also lead to new business opportunities if/when key vendor personnel move on to work for new employers. Outside of that, staying in contact and consistently communicating with our vendor partners is critical. Utilizing emails on a regular basis – not just in the course of day-to-day communication – but to highlight programs and specials, is also important. The key is to keep our brand visible to a vendor on a regular basis and to make sure their personnel don’t forget the advantages we offer or the solutions we provide to help close sales and maintain margin. Additionally, participation at industry tradeshows events and attending vendor meetings help us communicate with the vendor and gain valuable industry and vendor specific feedback. This participation allows us to see first-hand how a vendor salesforce engages with clients and what their value proposition and selling points are; we also get an idea of the pushback they receive from clients – which allows us to create new financing solutions for the vendor. From time to time we also conduct vendor-focus group discussions where we invite six to ten of our vendor partners across different market segments to participate in a virtual round-table discussion about different issues affecting the general macro-economy. Again, this is a mechanism we use to maintain Byline’s brand visibility with these vendors while simultaneously allowing us to gain valuable insight into various issues they feel affect their business.

**Newsline:** What are some of the most commonly requested financing options beyond the $1 out lease and standard purchase option leases?

**Goddard:** Bundled Financing and Managed Service Contracts – where equipment, supplies, and service are bundled into one convenient monthly payment – have been part of our industry for many years, most notably in the form of cost per copy contracts (copiers) and reagent rental contracts (laboratory equipment); but in recent years Bundled Financing has become very popular across many different market segments. Byline has developed Bundled Financing options for many of the market segments we serve and these products are now very popular with our vendors and customers. For example, our Printing and Graphic Arts Group will combine a payment for a wide-format printer with a service payment and a payment for the supplies (inks and sub-straights) used by that printer. Having the ability to offer Bundled Financing helps position a lender for greater success with a vendor as these programs offer them something beyond what is available via typical financing programs. Bundled Financing allows a vendor to enjoy predictable, recurring revenue streams associated with the contracted Supplies component of the financing. This is something they might not be able to lock in with traditional financing programs. For a lender, these programs help protect the relationship against competitive threats as the switching cost for a vendor might be too great to justify switching to another lender.

I also think the proliferation of loan documents in the “leasing” industry over the last few years is important to mention. Fifteen years ago, the idea of using a loan document was almost unheard of, outside of maybe titled vehicles and a few other equipment types. Today using loan documents rather than lease documents is commonplace. I believe this is driven largely by lenders seeking to avoid personal property tax reporting requirements and tax regulations that unfairly penalize lease contracts. I know a number of lenders today that use loan documents a majority of the time. Many borrowers are also requesting loan documents for two primary reasons: 1) they want to ensure they retain the ability to utilize the Section 179 accelerated depreciation deduction and, 2) they want to avoid having to pay large balloon payments or incur automatic renewal payments which some lessors continue to charge. The bottom line is I think lenders today should be prepared to offer traditional lease and loan products to support their vendor relationships.

Stuart Goddard is Vice President, Director of Sales and Vendor Relationships for Byline Financial Group.
Before the Internet was the dominant form of communication and starting a business required a detailed social media marketing plan, only a storefront and a phone number were needed to bring in lessees. Rather than doing a quick Internet search for a lender, a business owner looking for equipment financing would put on a suit and tie, head to the nearest bank, and make their pitch. Fast forward to the present day: face-to-face communication is now seen as a hassle; and speed and ease for everyone – both lessor and lessee – is the top priority.

It’s easy to see the overarching change in what lessees expect from an equipment financing lender. Without a website, online application, and quick approval process, an equipment financing company might as well close up shop. But the changes in customer expectations have penetrated the industry a little deeper. To develop a thorough understanding of lessee expectations and learn to better serve current clients, evaluating how each step of the process has changed is crucial.

Application & Approval Processing
Equipment financing has long surpassed the paper application filled out in-person or mailed to a lender. Even the days of applying on the phone were short-lived. Getting equipment financing online is now par for the course. With each of these...
On top of wanting accurate answers fast, they don’t want to put in the work of hunting down supporting documents, mailing them in, and proving their business’ worth to strangers on the phone. This is where more technological advances come in. With online banking and e-sign programs, lessees expect to be able to click a button and share their financial information with you.

After being approved and a deal is in the works, no lessee wants to track down a lawyer to read over the paperwork. Like a newspaper, a lease should be written in plain English. They look for and expect honesty from both their consultant and the documents they sign.

Finally, no lessee wants to have to print, scan, fax, or mail signed documents. DocuSign (or another electronic signing program) is expected from almost every lessee and saves on cost and time from a management standpoint as well.

Servicing

Once an agreement is signed and the customer has their equipment, the expectations don’t stop. Although mailed invoices are common, your customers are more likely to want an online method for making monthly payments. Many lessees want to “set it and forget it” when it comes to paying their bills. Without a quality servicing experience, lessees will move on to a new company when it comes time to finance more equipment.

Relationship Building

When looking at millennials and the generations to follow, it is easy to wonder whether the age of the good old handshake is dead. Today, fewer customers seek out a brick-and-mortar company for financing help. But metaphorically the handshake still stands.

Though websites and computer screens stand between modern lessees and the company they are requesting funds from, people still expect the same level of customer service and individualized attention that lessees of yesteryear received. The ability to exhibit integrity, honesty, and an authentic passion for helping business owners grow is still an integral part of meeting lessee expectations.

Even though technology and a fast-paced world have changed expectations when it comes to financing equipment, lessees still need to feel comfortable. After all, they are trusting someone with their money, their credit reputation, and their business’ well-being.

ABOUT THE AUTHOR: Toby McDonough is President of Beacon Funding.
Only eleven short years ago, I was working for a funding source whose business originated entirely through third parties. More specifically, everything was brokered to us. Literally everything. Brokered. On our documents.

We didn’t accept an originator’s document, or even private label our own. As I think about it now, it seems strange to me that this was the only way business was generated at that time. And what’s even more unusual to me, we weren’t the only funding source with that model. It was common.

Of course, to provide some perspective, at that time brokers were still faxing applications.

Regardless, as time progressed, so did the need for funding sources to progress regarding how they were receiving business. In just a few short years, that same funding source began discounting relationships, accepting originator documents, buying transactions in bulk and purchasing portfolios. And thankfully, it was no longer receiving faxed applications.

The way business was received in those days is not the only thing that’s changed over the years. Ten years ago there were far fewer funding sources and many more brokers. Due to the increase in funding sources, and the decrease in originators, the interaction between originators and funding sources has changed – particularly with respect to expectations in the way of processes, technology and relationships.

Today, there are still many originators who are great at what they do and have built successful businesses strictly brokering transactions. There are also many who have moved away from solely brokering transactions for a straight commission.

Today’s originators are not only brokering, but also discounting, building their own balance sheets, selling small tranches to funding sources, as well as larger portfolios. Since much of this paper is on the originator’s documentation, we (people in positions similar to mine) need to be well-versed in documentation language, so we are able to have informed conversations with originators about what we’ll accept and what we won’t. Of course, we rely on our legal teams when necessary; but there are basics about documentation that anyone charged with origination for a funding source should know.

Originators’ businesses have become more sophisticated and require a deeper understanding on the part of the funding source. To really work well with an originator, we need to understand their business models, their internal processes and their people, so we can develop programs to meet their needs. And because of the varying ways they are selling transactions, many funding sources are tailor-making programs and/or
processes to accommodate the originator. There may be one originator who wants to broker on a funding source’s documents. There may be another who wants to discount with their in-house documents. There may be a third who wants to sell tranches from their own portfolio. So, internal processes are developed to coordinate with the varying needs, ranging from the way a deal is funded to the communication between the funding source and the originator.

Technology has come a long way in the past several years, as have expectations about how we can and should be using it to do business. As I mentioned before, long-gone are the days of faxed applications and documents with distorted text. Instead we now have available to us front-end systems that allow us to easily exchange information. Many originators can simply “push” a deal from their system directly to the funding source of their choice, with funding sources offering portals to originators to send transactions and monitor the progress. Additionally, going the way of the dinosaur are snail-mailed, wet-ink signature paper documents. With the advent of electronic signatures, customers can sign documents from their smartphones, increasing speed and efficiency exponentially. While the number of originators and funding sources who are taking advantage of this technology is still limited, it is growing every day.

With so much “cheap money” now available, there is no doubt that today, more than ever, relationships are important. So how are successful originators and funding sources developing relationships? I believe through three critical methods: association involvement; a good, old-fashioned phone call; and face-to-face meetings.

If you know me, you know I’m a firm believer in the importance of association membership. I think it’s paramount to the success of businesses in our space, specifically because the conferences offered by associations provide an unparalleled opportunity for education, learning from peers and face-time with many of our business partners. It is at these conferences that I’ve met people with whom I’ve developed wonderful friendships and very successful working relationships.

While we all love the accessibility and ease that email provides us, picking up the phone to call an originator is paramount. And successful originators know that reaching out to their funding source rep can go a great distance. Let’s face it, we’ve all lost messages in translation via email or an implied tone that wasn’t intended — so is it important to talk to each other to make sure that we are communicating clearly and effectively. It also gives us a good chance to get to know the people we are working with.

Even better, taking the time to visit a customer’s office has proven to be invaluable. Not only is it a fantastic opportunity to meet staff that you otherwise might not meet, but it allows you see aspects of the operation that help you really understand who you’re working with. Most importantly, it allows the originator to know that we are invested in our working relationship and gives us time to build our friendships. Because, let’s face it, we all want to work with people we like.

The third-party origination space has seen a lot changes over the past decade. These changes have helped us all improve efficiency, become better communicators, and improve processes for our businesses. I look forward to seeing what the next ten years brings. ☝

ABOUT THE AUTHOR: Stephanie Hall, CLFP, is Executive Vice President of BlackRiver Business Capital.
When it comes to managing portfolios within the small-business lending market there are a few elements that, when fully accounted for and optimized, can help an organization create meaningful benefits for their customers. Once the pen has hit paper and all underwriting documents have been filed, it is imperative that you continue to add value to your customer with superior service and support until end-of-term. This means that everything from personnel to technology to processes must be aligned.

Efficient servicing organizations have many moving parts, but it all comes down to how well two primary ingredients work together – systems and experience. A smooth internal system supported by empowering technology will manage the complete lifecycle of a portfolio, ensuring that payments are accurately accounted for, taxes recorded on-time, regulations met, and portfolio data gathered. The second factor can only come with time – because nothing beats experience. As an organization matures within the lending industry they not only amass wisdom, best practices and technical know-how; but also establish ties throughout the market space to support their efforts and help them provide the highest quality of service possible.

Systems that run smoothly help companies reach a level of scalability -- increasing their speed-to-market, enabling portfolios and new lending products to be easily integrated, and ensuring that new customers and vendor partners are quickly on-boarded. Efficient operations help keep the team on track and allow senior leadership to focus their efforts on their core strengths -- developing their business, finding new customers, and creating funding strategies for their specific needs.

Success in the portfolio management market space is all about minimizing and managing risk, while maximizing revenue. Effective internal systems support both; efficiency minimizes costs, and a nimble, flexible, adaptable process enables maximum revenue.

Three of the more isolated components of portfolio management also bring additional value to customers and help ensure success in the small-business lending industry. Soundly managing portfolio risk, commercial collections, and regulatory compliance all rely on a combination of lean internal systems and human experience.
Proficiency in collections is indeed something that can be augmented by technology and other systems; however, there is a human component that must never be overlooked or undervalued. Many of the staff dedicated to collections have years of experience practicing the verbal skills and necessary rapport-building techniques to ensure a late payment doesn’t turn into a non-payment.

In many cases, it is the personal touch that turns a 45-day late pay back to good standing rather than becoming a 60-day delinquency. Having proven systems in place to quickly identify anomalies and adverse changes in payment patterns is often done through the vital pairing of a well-trained collections staff, with the right tools and technology to augment their expertise.

This pairing allows for internal processes to function smoothly, helping collections staff hit the ground running to take action against underperforming portfolios. Should a borrower enter the downward spiral of late payments and eventual default, effective collections staff know what steps to take from the beginning to build a unique recovery plan.

Because every case is different, a special asset recovery plan must reflect the individual scenario in question to maximize the debt collected, while keeping the process as painless as possible. Once again success hinges on the value of experienced collectors. Because there are often many moving parts in a collections case, personal know-how can keep recovery efforts under control.

Some of the factors required for implementing a successful recovery plan are payment and debt history; recent business expenditures; debt owed to third-party lenders or business partners; and much more. Contacts outside the organization can be vital resources during collections. Investigators locate stakeholders, and litigators prepare legal actions to ensure timely recovery, if necessary. With a strategic asset recovery plan in place and effectively implemented, customers can be put back on track of fulfilling their obligations without draining a lenders’ limited resources.

Another step that can add additional value for customers may and protect portfolios from unexpected loss, like a surprise computer system crash, is to put back-up servicing in place to keep their customers’ data safe, and their portfolios performing optimally.

Keeping additional records of the portfolios being serviced is not only smart, it is becoming a more frequent requirement of some outside funding and capital partners. For example, banks and investors often require back-up servicing to guard against disruption should a finance company run into problems.

Although taking a loss during servicing is less flashy than during collections, or say an episode of Repo Men, back-up servicing can help protect against inaccurate record keeping, data loss, a security breach, or if the primary servicer underperforms or goes out of business completely. Should an issue arise, a properly backed up portfolio allows the owner to immediately take over portfolio management and protect their investment. In the case of a servicer change, the backup records will support the continuity of portfolio data and help ensure a seamless transition to a prepared new servicer.

Effective portfolio management operations add an additional competitive advantage by keeping processes and client portfolios safe and secure. A strong history of successful portfolio management demonstrates an organization’s commitment to remain compliant with national watchdog organizations that monitor the dependability of service companies, and the quality and consistency of their internal systems.

Portfolio managers are wise to employ an internal compliance officer whose sole focus is to ensure that all services performed consistently observe industry regulation. Failing to comply with things like tax codes, or simply keeping proper customer payment records can damage both your organization and the health of your customer’s personal and business credit. Organizations such as the AICPA Service Organization Control Reports provide a means to audit and identify weaknesses in operations; giving an opportunity for continual quality improvement, and a way for stakeholders to monitor their operations.

No business can function smoothly without an internal system guiding the workflow and keeping teams on track. Loan and lease portfolio management is certainly no exception. Although establishing efficient systems isn’t the easiest or sexiest job on the planet (or in the finance industry) its value is nearly unmatched for the organization. In an industry so dependent on contract and data oversight, offering portfolio management services without a well-tuned internal process is both dangerous and irresponsible.

When building and managing a portfolio it is essential to give thoughtful consideration to the points raised here. Jumping ahead in a direction without careful consideration can lead you down a road that puts investment into an operation that drains valuable time and constrains capital that could be used for originating new business and growing revenue. Ending up in a place with too many fixed costs unrelated to revenue-generating activity is not where you want to be. So give thoughtful consideration to how you’re building your company.

ABOUT THE AUTHOR: Joe Collins is SVP of Business Development at Orion First.
“IT’S ALL ABOUT FIRSTS & WIL”

Shari Lipski reminisces about her introduction to the leasing industry and the camaraderie and friendship she discovered as part of the group Women In Leasing.

By Shari Lipski

The Inaugural Women In Leasing luncheon was held in 2012, at the NEFA Spring Educational Conference in San Diego. Even though we were small in number, we were (and still are) a very dedicated group of entrepreneurial women who enjoy getting together to eat fantastic food; learn about each other’s hobbies, interests, dreams; and, of course to discuss a little business.

I believe a lot of firsts in a person’s life can and WIL define how they do things going forward. Think about your first day at school. Did you walk to school alone? With a sibling? I walked to school with my mom every day from kindergarten till seventh grade. Then one day, I told her I wanted to do it on my own. I only got halfway to school, when I started missing her, began sobbing uncontrollably, and ran home. She hugged me until I stopped crying. Then she called the school to tell them I was sick and we spent the day together. The next day I asked her to take me. Halfway, I said “Ok, I think I can do the rest on my own.” She smiled and watched me walk to the end of the block, turn the corner, and that was it. I did it. All by myself. Then the next day, and the next, and the next. I had the WIL to do it on my own. Easy peasy.

I had a similar incident when I started working at my first job in the leasing industry. During the first few years, I went to every networking event, seminar, and customer meeting with someone. Then came the fateful day that I had to do it on my own. I registered for a convention, packed my bag, and boarded a plane to Las Vegas. I unknowingly registered for a week-long convention that had thousands of people in attendance. Until then, the largest meeting I ever attended consisted of about 30-40 people.

I checked into the hotel, changed into my olive silk business suit, and got on the shuttle bus to the convention center with all the other registered attendees in golf shirts, slacks, and jeans. That was my first of many uncomfortable clothing moments. I got off the bus, checked-in, and walked onto the tradeshow floor where I found myself to be the only woman in the entire building. That was the first of many uncomfortable gender moments.

My first uncomfortable insecure moment shortly followed. I started feeling like people were staring at me – like I was in a fishbowl. Was it because I didn’t belong? I started walking around pretending like I was looking for someone. I was desperately looking for the exit. I held it together long enough to get back to my room. I closed the door and threw myself on the bed. All I could think of was “My job sucks! I don’t want to do this!” I wanted to go home. I never, ever want to go to a convention or business meeting again, I thought.

I sat on my balcony and stared down the Las Vegas strip. Then, I started seeing the people, just like me. Fluffing their hair, adjusting their bra strap when their boyfriend isn’t looking, smiling, laughing. I can’t be that different. I thought….pull yourself together woman. You can do this. You WIL do this.

I did. I unwrinkled myself, got on the bus, walked back into the convention center, and saw one of my vendor clients. Whew…a familiar face. She immediately recognized me, called me over, and that was it. I was going to be ok. I’m still so proud of my first convention. That is what the Women In Leasing luncheons are all about, seeing familiar faces and making new, “old friends” to support through this sorority known as WIL.

NEFA (the merger of EAE & UAEL) has been comprised of women in key influential and decision-making roles for over two decades. This consistent involvement of women shows the depth of why NEFA embraces Women In Leasing the way it does. In 1994 there were three women Directors at EAE. The first Woman to become President of EAE was Nancy Pistorio of Madison Capital in 2005. Nancy served as a Director or member of the Executive Board from 1998 through 2007. From 1994 through 2008 there was always at least one woman on the board, and in some years there were four. This represents almost ten percent board participation, year-over-year, by women.

The first woman President of UAEL was Betty Kerhoulas of Pacifica Capital. She was named to that role in 2003. For the
past 15 years there was only one year that a woman was not present in a UAEL/NEFA board position. Most recently, Tara Aasand of LeaseTeam, and Stephanie Hall of BlackRiver Business Capital, have served as President of NEFA and both have held numerous board positions since 2011.

Another **Women In Leasing** interest is education. The Certified Lease & Finance Professional [CLFP] Foundation is an education and certifying body, originally started by UAEL, that was created to raise the industry standards among equipment leasing and financing professionals.

Today, the CLFP Foundation proudly boasts, 146 of the 444 current and active CLFPs are **Women In Leasing**. That’s 33 percent! And since the CLFP’s formation as a separate association in 2000, 27 percent of the board positions have been filled by **Women In Leasing**.

I’m not exactly sure who the first woman was to receive her CLFP, but the longest active female tenure is Theresa Kabot of Kabot Commercial Leasing. Theresa got her CLFP in 1996 and was the first woman to be President of the CLFP Foundation. Rosanne Wilson of 1st Independent Leasing, and Amy Spragg of Pacifica Capital, have also served as President. I must add that Amy is a second generation female entrepreneur proudly following in her mom’s footsteps.

The **Women In Leasing** group is there to help empower women to take a chance, take a risk. We’ve all been there. We all know how scary it is to get up in front of a crowd of people and speak. To put yourself out there to be judged. But at the end of the day we’re all the same. We all put our pants on one leg at a time. Our little group is looking for more of you to stand up and make a difference for yourself and your career. While you’re at it, have fun – add a little excitement to this thing we call a job. **WIL** is here to help answer questions, give lots of opinions (I mean suggestions) and always lend a helping hand. So take that **first** step.

**Women In Leasing** and our fabulous luncheons are all about helping other women that might feel like I did at my first convention. I take great pride in hosting women-only networking events where you can relax in a great, positive networking environment, and talk to other strong business women who can help by providing guidance, knowledge, tons of energy, and truthful insight for life’s little situations.

I would like to personally invite all **Women In Leasing** to join my LinkedIn Group so you’ll know when and where the networking luncheons will be, and please feel free to host your own local luncheon groups and post the invites along with a group photo afterwards. **WIL** shares personal news, thought-provoking articles, and is open to general discussions of anything worthy of attention. Today our **WIL** group has over 950 members from over a dozen countries.

What’s next for **Women In Leasing**? Well, that’s anyone’s guess. But keep your eyes open and your hands on the wheel boys, because we’re coming. 😊

**Women In Leasing**: Where there’s a **WIL** there’s a way.

**ABOUT THE AUTHOR**: Shari L. Lipski, CLFP, is a Principal at ECS Financial Services.
2017 NEFA PARTNERS AS OF 6-15-17

PLATINUM
Channel Partners Capital
LeaseTeam, Inc.
Pawnee Leasing Corporation

DIAMOND
ECS Financial Services, Inc.
Financial Pacific Leasing, Inc.
Marlin Business Bank
Stearns Bank

GOLD
Beneficial Equipment Finance Corp.
Bryn Mawr Funding
Great American Insurance
Navitas Credit Corp.
North Mill Equipment Finance
RapidAdvance

SILVER
Arvest Equipment Finance
BancorpSouth Equipment Finance
Dakota Financial, LLC
Dedicated Commercial Recovery Inc.
Equipment Insurance Direct
Orange Commercial Credit
Quality Leasing Co., Inc.
Red Bridge Capital
RTR Services, Inc.
YES Leasing

To learn more about the benefits of NEFA membership, contact Gerry Egan at GEgan@nefassociation.org
For Sponsorship / Exhibit opportunities, contact Kim King at kking@nefassociation.org

2017 FUNDING SYMPOSIUM EXHIBITORS AS OF 6-15-17

Beneficial Equipment Finance Corp.
Bryn Mawr Funding
Channel Partners Capital
Dakota Financial, LLC
Dedicated Commercial Recovery Inc.
ECS Financial Services, Inc.
Equipment Insurance Direct
Financial Pacific Leasing, Inc.
Great American Insurance
JB&B Capital, LLC
LeaseTeam, Inc.

Marlin Business Bank
Navitas Credit Corp.
NetSol Technologies Americas
North Mill Equipment Finance, LLC
Orange Commercial Credit
Pawnee Leasing Corporation
Quality Leasing Co., Inc.
RapidAdvance
Red Bridge Capital
RTR Services, Inc.

2017 FUNDING SYMPOSIUM SPONSORS AS OF 6-15-17

Bryn Mawr Funding – Hotel Key Cards
Channel Partners Capital – Thursday Networking Luncheon
ECS Financial Services, Inc. – Welcome Reception Drink Tickets
Financial Pacific Leasing, Inc. – Name Badges
Great American Insurance – Pocket Brochure
LeaseTeam, Inc. – Conference Gift
Orange Commercial Credit – Presidents Reception & Drink Tickets
Pawnee Leasing Corporation – Welcome Reception
RapidAdvance – Registration Packets, Education Breakout Session & Conference Broadcast Emails
RTR Services, Inc. – Conference Broadcast Emails, Prize Give-Away & Conference Attendee List

WELCOME NEW MEMBERS!

BlueVine
• Broker/Lessor
Commercial Funding Partners
• Funding Source
FirstGroup Recruiting Solutions, LLC
• Service Provider
Ridgeline Financial Group, Inc.
• Broker/Lessor

INDUSTRY EVENTS CALENDAR

KC Royals Baseball Networking
August 3, 2017
Kauffman Stadium
Kansas City, MO

Atlanta Networking Luncheon
August 17, 2017
Ansley Golf Club
Atlanta, GA

Lake Minnetonka Networking Cruise
August 23, 2017
Lake Minnetonka
Wayzata, MN

Funding Symposium
October 4-6, 2017
JW Marriott Buckhead
Atlanta, GA

NJ Expo Super Regional
November 12-13, 2017
Hyatt Regency Jersey City
Jersey City, NJ

Atlanta Networking Luncheon
November 16, 2017
Ansley Golf Club
Atlanta, GA
Using Your CRM to Increase Customer Loyalty

In today’s fast-moving business world, having the right tools to deliver services with speed and accuracy is an essential component for success. As Ivory Consulting’s Edmund Wong explains, a well-oiled Customer Relationship Management system incorporating a CRM-based pricing solution can create a winning formula for all players.

By Edmund Wong

Your organization has likely considered or already implemented a Customer Relationship Management (CRM) system to improve how you connect and interact with your customers. As you may be aware, a CRM system tracks and records all customer interactions. The information so generated empowers your organization to make data-driven decisions using valuable business insights that ultimately lead to actionable information. This holds immense value for your entire organization when seeking new market opportunities, keeping customers happy and engaged, improving customer service, and enhancing analytics and reporting.

Depending on your specific workflow and numerous processes, there are multiple CRM system functions to consider for improving and automating these processes. One process commonly identified early in the implementation of a CRM system is the generation of a customer quote that includes financial product, financed asset and pricing details. This critical information not only determines the key terms of a deal, but can also shed light on trends in customer behavior and revenue generating activities.

Pricing in Your CRM System

As an equipment finance company, you can realize specific benefits and can further streamline your lease and loan processes by implementing your pricing solution directly in your CRM system. This is what’s known as using a CRM-based pricing solution. Using such a solution will provide you with many benefits. The efficiencies you could realize include: enabling your salespeople to review a customer’s profile, focusing on entering just the key financing parameters, and calculating a payment to be presented to a customer in real time. Customers will be happier and more loyal because you aren’t asking them about historical information or making them wait for a quote. Meanwhile, data-entry errors are minimized because you no longer need to transfer information back and forth between your CRM system and a standalone pricing tool. Lastly, the automated processes built into your CRM system save the data for each quote you present to your customer, so all of your customer interaction history is stored in your CRM system.

“A CRM-based pricing solution empowers your sales teams to quickly and accurately deliver quotes in real time as they work with their customers without any interruptions.”

Edmund Wong
Ivory Consulting
“The abundance of customer information continuously being added to your CRM system by your entire organization drives instant and real-time analysis and simplifies the creation of valuable business insights.”

Consistent Pricing Across Your Organization
Committing to a CRM-based pricing solution ensures that your entire organization is using the same tool, reviewing the same data, and discussing transactions under the same set of assumptions. This consistency promotes accuracy and confidence, as your salespeople work with your customers and colleagues to develop a winning, and profitable deal.

A CRM-based pricing solution eliminates the need to manage multiple spreadsheets or other less-accurate pricing tools that often plague financial institutions. Consider the consequences stemming from confusion over which spreadsheet file to use, mistakenly entered data, or an inadvertently altered formula in a cell. A CRM-based pricing solution minimizes the IT effort and resources required for the deployment, maintenance and support of non-CRM-based pricing tools.

Make Your Business Workflow More Efficient
CRM systems provide global, 24/7 accessibility by presenting the same information and functionality regardless of which device and operating system your users prefer. For your sales team, this means no longer being limited to pricing a lease or loan from the office, calling for quoting assistance while meeting with a customer, or using less-accurate and non-integrated methods to provide a quote to a customer. All of these benefits mean happier customers. A CRM-based pricing solution empowers your sales teams to quickly and accurately deliver quotes in real time as they work with their customers without any interruptions. Quick delivery of quotes may eliminate the chances of a competitor’s quote being delivered and accepted.

You are further able to enhance your workflow and achieve efficiencies by integrating additional modules into your CRM system. For example, downstream processes such as document generation, e-signature, billing, collections, and accounting can all be added to a CRM system. Such integrations automate processes and eliminate error-prone manual and repetitive data entry. Minimizing the time spent on the administrative duties of managing spreadsheets, documents, emails and other files gives your sales team the time to dedicate their attention to closing more deals and making your customers happier and more loyal. What’s more, the abundance of customer information continuously being added to your CRM system by your entire organization drives instant and real-time analysis and simplifies the creation of valuable business insights.

A More Loyal Customer
The lifeblood of businesses today is up-to-date, accurate information supporting your sales and customer interactions. A CRM system can serve as the main element in the information network that provides these functions, incorporating lease and loan pricing, customer needs, and transaction histories. A further benefit may be analyzing sales and profitability trends to enhance your overall strategies and tactics. At the end of the day, your customers will be more engaged, happier and certainly more loyal when you take advantage of a CRM-based pricing solution.

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Interviewing is often a daunting prospect, and not just for the candidates. For many hiring managers, interviewing is a necessary evil, and frequently an unsuccessful enterprise. It is inherently subjective, and the stakes are high. Interviewing is also something that hiring managers (except in very large companies) do infrequently. That makes it difficult to evaluate why one hire worked out and another did not. Hiring managers I speak with often recount with exasperation the last several “bad” hires, casting about for external explanations or chalk it up to “bad luck”.

Invariably, however, a “bad” hire is the result of ineffective interviewing. For many companies, the process is likely to fail before it has even begun. No company goes to market without a best practices approach to nearly every facet of business. Yet many companies lack standard conventions for interviewing and instead take an ad hoc approach. The results are predictably bad.

A best-practices approach to the interview process is not a luxury, but a necessity. It is essential that you build a robust interview “skeleton” — one that will become a durable tool for all levels of hiring within your organization, from the receptionist to your next Chief Credit Officer.

Before starting, consider what you are trying to accomplish. The obvious answer, of course, is to decide whether or not to hire the candidate; but your parallel goal should be to learn information that you can use to effectively manage your new hire. Too often the information gleaned from an interview is promptly filed and ignored until that person leaves the company. Done well, however, interviewing will give you invaluable insight into your new employee and about how best to manage and support them in your organization.

The greatest benefit to a defined skeleton is that it provides an objective framework for a subjective process. Hiring managers often decide to hire candidate A over candidate B because they “like” something better about them, without being able to necessarily define what it is. An interview skeleton provides a comparative framework, enabling hiring managers to evaluate different people accurately because they went through the same process.

Plan a multi-stage skeleton with assigned roles for specific hiring managers at each step.

Each stage and each interview should have predetermined questions that are refined with experience and time. That is not to say that you shouldn't allow the conversation to develop naturally — it is very important that you follow the threads of conversations to their conclusion. Even so, populating your skeleton with proscribed questions offers several benefits. First, you can be sure your questions...
are effective. Additionally, proscribed questions provide further structure and objectivity. One can evaluate candidate A’s answer to question three in stage two directly against Candidate B’s answer to the same question. Without a consistent process, the contrasts between candidates are harder to define and understand.

For the sake of brevity, I will focus on a three-stage skeleton, but these principles are helpful no matter the number of stages.

• Stage one should be focused on broad topics like cultural fit and chemistry, an exchange of information on backgrounds (both of the candidate and the company) and a fair degree of selling – they should be selling you on their candidacy and you should be selling them on your company. That is not to suggest that you don’t determine fit on the mechanics of the role – far, far from it. But the general goal here is to determine whether it makes sense for you and the candidate to invest more time and energy in the interview process.

• Stage two is the beginning of a more exhaustive examination of the candidate’s appropriateness for the given role. This will likely involve conversations with different hiring managers and frequently includes “deliverables”, like a personality/aptitude profile or the sharing of benefits information. Stage two is a good opportunity to have a more detail-oriented conversation building on what was learned in the first interview. Meanwhile, additional hiring managers can interview the candidate on topics outside the initial interviewer’s subject matter expertise. They will also be able to evaluate fit with other departments in the company.

It is especially important to keep our second goal in mind starting in stage two. The information you gather at this point should begin to form the basis of your management strategy with your eventual hire. Among other things, learn what motivates them — whether it’s praise, or money, or camaraderie. Identify potential areas of weakness that you will want to address through personalized training. Confirm the logistics of their work/life expectations so you know how to best integrate them.

• Stage three is where the “onion is peeled.” Interviews in this stage are often best done at headquarters, with a broad cross-section of hiring managers involved. This is where you really test the candidate’s competency, outline a business plan, or vet the underwriter’s ability to work within your system and risk philosophy. The goal at this stage is to determine if an offer will be extended. You should be sure to address any outstanding questions or areas of uncertainty, and they should leave this interview excited by the company and hopeful that they will receive a job offer.

Give your candidates plenty of room and time to answer, and ensure the questions that you ask are open ended—you don’t want to tip them off to the answer you’re seeking by how you frame the question (another reason to have questions pre-written).

In the end, there are simple best practices that you must follow for each and every interview process you start. Just as you wouldn’t enter a new market without following your best practices in business development and risk analysis, don’t undertake a task as sensitive and essential as hiring without a guide-line to follow.

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