



# A Seminal Work

## *How the Survey of Equipment Finance Activity Broke New Ground*

**T**HE YEAR 2011 MARKS ELFA'S 50TH ANNIVERSARY. Throughout the year, *Equipment Leasing & Finance* magazine is looking back on the association's history and highlighting key milestones that helped to shape the organization.

In 1975, the association launched a research study that would become the most important source of statistical information available on the equipment leasing and finance industry.

The 11-page study, called the Survey of Accounting and Business Practices, was the first of its kind. It provided a snapshot look at the leasing and finance industry, covering such topics as member companies' accounting methods, residual valuation, bad debts and credit policy, income taxes, marketing, financial statements and financial ratios.

For the first time, industry executives could use the survey to benchmark their business operations and accounting practices against their peers. The information was deemed so valuable that the association decided to publish the study on an annual basis.

Director of The Alta Group David Wiener, a pioneering member of the ELFA Research Committee who was instrumental in the development of the survey, explains the importance of the data. "The association leaders expressed a growing

need for a deeper level of useful information, which was becoming critical even in a pre-Internet world... to become better and more effective in servicing customers and shareholders."

### Survey Evolution

Over the next four decades, a committee of members (first named the Industry Data Analysis Panel and then the Research Committee), helped to grow the study from a simple 11-page summary to a comprehensive 300-page statistical resource. Notable developments over the years included:

- The name of the study changed to the Annual Survey of Industry Activity in 1985, and to the Survey of Equipment Finance Activity (SEFA) in 2008.
- The management of the survey shifted from one of the then-"big eight" public accounting firms to a statistical research organization in response to a demand for more sophisticated data. Eventually, as a result of its expertise in the leasing business, PricewaterhouseCoopers (PwC) was selected to conduct the survey and guide the questionnaire design, implementing more precise questions with stronger statistical validity.
- The topics covered in the study expanded to include comprehensive statistical, financial and operations information, with data broken out by organization type (bank, captive, independent); market segment (micro-ticket, small-ticket, middle-ticket, large-ticket); organization size; and business model (direct, vendor, third-party, mixed).

### Honorable Recognition

The importance of the SEFA was underscored recently when ELFA awarded the 2011 Distinguished Service Award to Jerry Jordan, Executive Vice President at U.S. Bancorp Equipment Finance, who has served as Chair of the Research Committee since 2006. Jordan was recognized for his service on the Committee and his efforts to help shape the SEFA.

Jordan oversees the Research Committee's meeting each fall, when they help prepare the survey design and add relevant questions, and each spring, when they review and analyze the survey results.

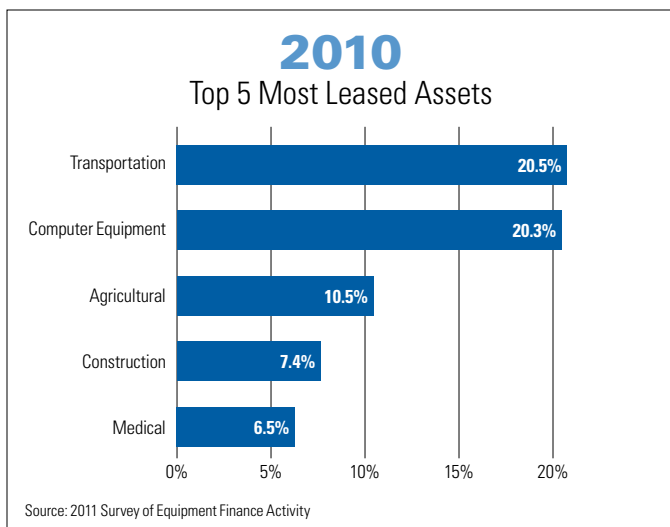
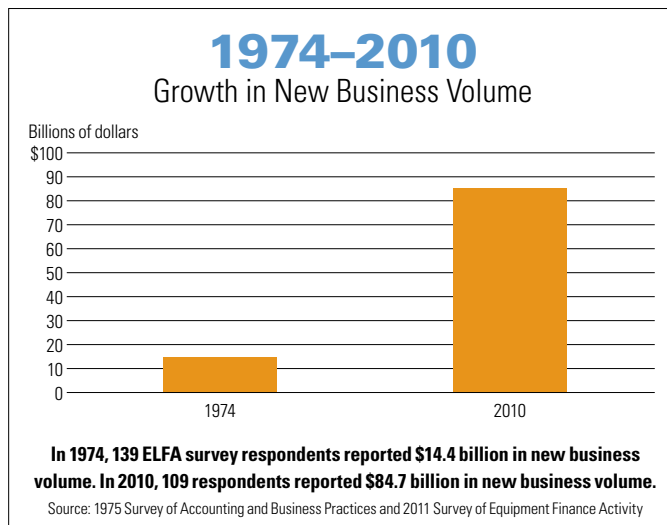
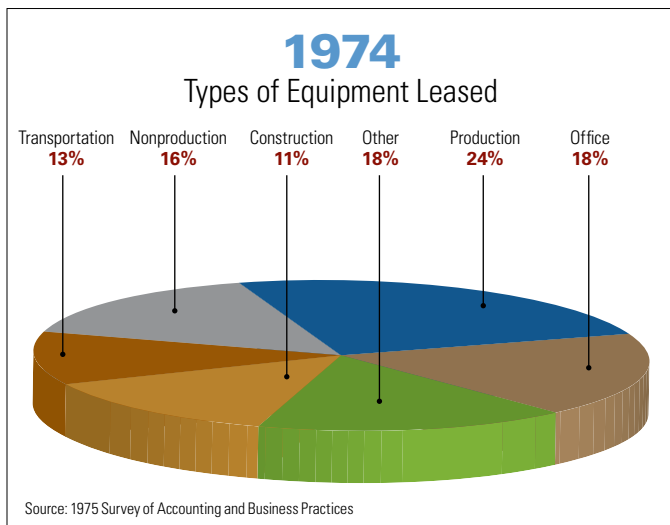
"I've enjoyed working with the ELFA Research Committee and staff and our wonderful PricewaterhouseCoopers support team to provide the annual Survey of Equipment Finance Activity, which is a widely used document that reports on our industry's contribution to the economy," said Jordan.

### The Survey Today

Today the SEFA is ELFA's signature benchmarking and research tool supported by member dues. Participation in the survey is a benefit of ELFA membership, and member respondents receive a complimentary copy of the survey report. Respondents also receive confidential individual company data sheets, which show their individual company statistics ranked against a peer group. Non-respondents—both members and nonmembers—purchase the survey report.

The survey responses are confidential—only the survey research firm has access to the responses submitted by each member company. Further, if any question has fewer than four respondents, the data are not published, to protect the privacy of individual member information that could be inadvertently deduced by too small a survey population.

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makers, end-users and other external audiences with insight into the value of the industry.

“Advocacy is important to the viability of our industry—ensuring its essential value in providing needed capital to effectively equip America on a level playing field,” says Wiener. “The SEFA report showcasing the sheer volume, equipment types financed and end-user customers served underscores the important role that our association members offer to the American economy.” ■

The survey remains very popular, and members companies are eager to participate each year. “Yes, participation takes precious time of key finance and sales leadership,” notes Wiener. “But the depth of this kind of business intelligence would cost any organization well into the six figures to data mine on their own. To assess what it looks like to be ‘best in breed,’ there is no data repository within our industry that even comes close.”

The survey has also gained traction outside the membership, among industry analysts and management consultants looking for definitive data on the equipment finance sector. And it is an important component of ELFA’s public outreach and advocacy, providing lawmakers, policy-

**Go to [www.elfaonline.org/SEFA](http://www.elfaonline.org/SEFA) to download a free summary of the 2011 Survey of Equipment Finance Activity or to order the full report.**