

EQUIPMENT

Leasing & Finance

MAY | JUNE 2019

THE MAGAZINE FOR INDUSTRY EXECUTIVES

Leading through Innovation

We must innovate to stay competitive.
ELFA-member industry leaders
share their strategies.

10 Tips for Proactive
Talent Management

What Lies Ahead
for Equipment Finance
This Year?

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MANAGING EDITOR Amy Vogt
PRODUCTION DIRECTOR Sandra Winkler
DIGITAL PRODUCER Shirley Bryant
COPY EDITOR Kelly Saxton
ART DIRECTION BonoTom Studio
www.bonotom.com
ADVERTISING Steve Wafalosky
steve@larichadv.com
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Join the Conversation

New online communities are designed to help members succeed

Do you have a burning business question that another ELFA member may be able to answer?
Are you seeking best practices related to a particular issue at your organization?

ELFA's new online communities are bringing members together to interact, share information and engage. We've taken our old email listservs and upgraded them, giving you a new place online to stay connected 24/7.

Go to <https://connect.elfaonline.org> and start tapping into the collective knowledge of the ELFA membership.

Network. Share ideas. Exchange best practices!



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Bucking the Status Quo



IN THIS ISSUE of *Equipment Leasing & Finance* magazine, we're celebrating innovative leadership in the equipment finance industry. Our cover story, "Leading Through Innovation," highlights four ELFA-member companies and leaders who've bucked the status quo and created new value by charting a different course. This story draws inspiration from the Equipment Leasing & Finance Foundation's recent Industry Future Council (IFC) gathering of industry executives, who concluded that innovation is becoming a requirement for equipment finance firms hoping to keep pace with competitors inside and outside the industry. To read full IFC report, "Embracing Innovation: Positioning Your Business for Future Success," please visit <http://bit.ly/ELFFIFC>. Also in this issue:

■ **Next Generation:**

Is your company

focused on attracting, engaging and retaining emerging talent? In "10 Tips for Proactive Talent Management" on page 28, members share strategies for building a bench of Millennials and "Gen Zs." Also, find out what the Emerging Talent Advisory Council is tackling this year and get a preview of their plans for Emergence2019, a two-day leadership development event that will be held in July in Washington, D.C.

- **State of Business:** In "What Lies Ahead?" on p. 34, the leaders of four ELFA Business Council Steering Committees share insights into their respective sectors' health and growth prospects. While each BCSC is reporting areas of growth, wild cards remain. As one member notes in the story, "I think there are a lot of reasons to be positive but also to be a little bit cautious."

agenda at www.elfaonline.org/AC—we'll let you know when registration opens.

Distinguished Service Award

Finally, the Michael J. Fleming Distinguished Service Award honors members who have made a significant contribution to our association and our industry. We encourage you to nominate yourself or a colleague for the award this year—you'll find details at www.elfaonline.org/Awards/DSA/. The award recipient will be formally recognized at the Annual Convention.

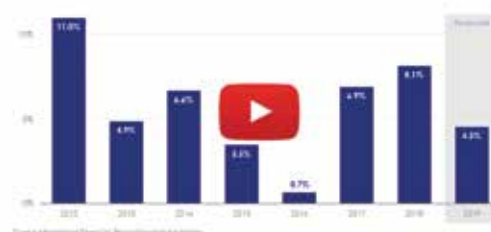
Thank you as always for your support and participation. ☰

Ralph

RALPH PETTA is the President and CEO of the Equipment Leasing and Finance Association.

Save the Date

We hope you'll join us at the 58th ELFA Annual Convention, Oct. 27-29 in Washington, D.C. There's nowhere else you can connect with so many industry leaders and discover new ideas to grow your business, prepare for the next generation of equipment finance, hear diverse perspectives and much more! We recently announced a great lineup of keynote speakers, including economist **Marci Rossell**, leadership expert **Mark Scharenbroich**, CNN anchor **Jake Tapper** and presidential historian **Michael Beschloss**. View our promotional video and check out the preliminary



Data Outlook

Find out what recent industry data reveals about the state of the equipment finance sector in Ralph's second-quarter video message at www.elfaonline.org/news/Q2video2019.

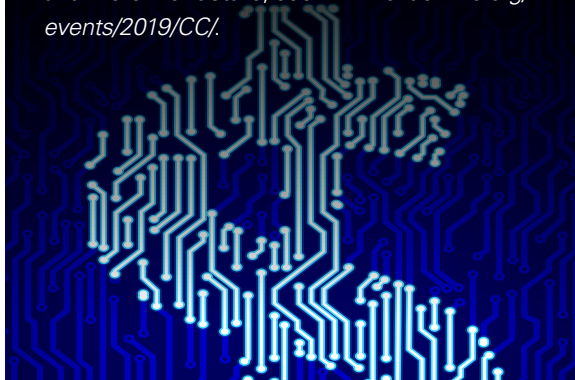
Women4Inclusion

Join the "ELFA Women4Inclusion" LinkedIn Group

The ELFA Women's Council created the new "ELFA Women4Inclusion" LinkedIn Group to bring industry professionals together in support of gender-balanced leadership and inclusion. This group is designed as a forum to share information, exchange ideas and network with other members of the equipment finance community. All members are welcome to connect with the group and we look forward to your participation! To join today, go to www.linkedin.com/groups/12189073/.

Credit and Collections Pros Focus on the Future

Don't miss the ELFA Credit and Collections Management Conference & Exhibition, June 3-5 at the Hilton St. Petersburg Bayfront in St. Petersburg, Florida. This conference will address new and emerging issues relevant to credit and collections professionals in the equipment finance industry, organized around the theme "Innovation & Evolution: Digitizing for the Future." Topics will include the economy, the equipment finance cycle, alternative financing, human capital issues, the legal and regulatory environment, data analytics, risk and bankruptcy and more. For details, see www.elfaonline.org/events/2019/CC/.



SHUTTERSTOCK/EPIFANTSEV



Showcase Your Innovation

Did your organization complete a great project in the past 12 months? Would you like recognition for that achievement? The Operations & Technology Excellence (O&TE) Award identifies and recognizes equipment finance companies that have successfully implemented an operational excellence initiative and/or a technology innovation project and deserve to be recognized! Enter by June 3 at www.elfaonline.org/about/awards/ote/.

Executives Discuss the Rapidly Changing Workforce

The Executive Roundtable brought top equipment finance executives to Naples, Florida, in mid-March to discuss the latest trends impacting the equipment finance industry, to strategize about the future and to create lasting business relationships. Thought leaders shared their insights into the economy, technology disruption, political developments, talent enhancement and inclusion strategies for a rapidly changing workforce. Featured speakers included Marci Rossell, former CNBC Chief Economist & Co-Host of Squawk Box; Jody Michael, Founder and CEO of Jody Michael Associates; and Caroline Turner, Principal at DifferenceWORKS.



Make a Lasting Impact!

Guest Lecture Program

Connect with the *next* generation workforce and become a Foundation Guest Lecturer at your local university! Share your experience to attract new talent to the industry.

Internship Center

Recruit the best via the Foundation's digital Internship Center! A one-stop resource for managing your intern search, the online Internship Center provides a platform for students and companies to make connections.

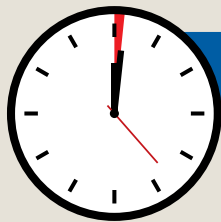


www.LeaseFoundation.org



Conference Draws Institutional Investors

The Investors' Conference on Equipment Finance, organized by ELFA and the Information of Management Network in New York City in March, drew 280+ equipment finance professionals, institutional investors and service providers who support the industry. Attendees discussed the outlook for the year ahead, structural and legal challenges, risk management, the capital markets and transportation finance.



Membership Minute



Subscribe to the NEW online, members-only communities (LeaseTalk, AcctgTalk, LegalTalk and TaxTalk) within ELFA Connect to share and exchange information with your peers. Members have the option to communicate with the community they are subscribed to by posting questions and responses via email or through the online community portal. Members may now upload and share files within each community. Visit connect.elfaonline.org to get started! Questions? Contact membership@elfaonline.org.



Update Your Staff Listing

Key contacts of ELFA member companies are encouraged to periodically update your staff listing in the ELFA member directory. This ensures your employees have access to the full array of member benefits and allows ELFA to communicate with the relevant people within your organization. Please take a moment this spring to log into the ELFA website and remove former employees as needed. Also, new hires of an ELFA member company may gain access to member resources by creating an account from the ELFA website. Please contact Julie Benson at jbenson@elfaonline.org with questions.

ELFA Career Center: Find a job. Fill a position. It's that easy.

When it comes to making career connections in the equipment finance industry, the mass market approach of the mega job boards may not be the best way to find what you need. The ELFA Career Center gives industry employers and job seekers a better way to find each other and make that perfect fit. Visit us today to post your job or resume at *careers.elfaonline.org*.



How can you track laws in 50 states?

When you are doing business in a particular state, how do you stay on top of legal issues affecting equipment finance in that state? Turn to the **ELFA State Law Compendium**. It's a user-friendly tool highlighting unique legal issues you need to be aware of. Discover how to comply with selected state statutes and regulations deemed problematic by attorneys who practice in those commercial jurisdictions and business-people who operate in them. See www.elfaonline.org/interactive-tools/state-law-compendium.



Let's Talk Tax!

The Tax Best Practices Roundtable, June 11–12 at the Offices of CoBank in Greenwood Village, Colorado (a suburb of Denver), is offered exclusively to tax practitioners of ELFA member companies. The roundtable focuses on federal and state compliance and planning issues, recent developments and sharing of internal best practices in the equipment finance industry. Learn more and register at www.elfaonline.org/events.



September Accountants Conference Promises Packed Agenda

The Financial Accounting Committee met in New York City in March to plan the Lease and Finance Accountants Conference. This annual event, Sept. 16–18 at The Hilton Chicago, provides the most-up-to-date information on accounting issues that impact lessors and their clients. Representatives from the FASB and the IASB will be on hand to discuss the new lease accounting standards. Learn more at www.elfaonline.org/events/2019/LAC/.

Annual Report Highlights ELFA's Value Proposition

The theme of the 2018 ELFA Annual Report, "Evolve, Emerge, Excel," describes the association's vital role in helping members position their companies—and the equipment finance industry—for success. Learn about the ELFA value proposition, highlights from 2018 and what's ahead for 2019 in the report at www.elfaonline.org/About.



Tech Talk

The Operations & Technology Committee met at ELFA headquarters in April under the leadership of Chair Andrew Cotter of Somerset Capital Group to plan the 2019 Operations & Technology Conference, to be held Sept. 16–18 at The Hilton Chicago. Learn more at www.elfaonline.org/events/2019/OT/.





ELFA Mourns the Passing of Former Chairman Rick Wolfert

Former ELFA Chairman Frederick "Rick" Eugene Wolfert passed away peacefully on April 9 in Greensboro, Georgia. Rick had a long and distinguished career in the equipment finance industry. He was an active volunteer for both ELFA and the Equipment Leasing & Finance Foundation. He served on the Foundation's Board of Trustees in 1998 and served as ELFA Chairman in 2001.

After graduating from Louisiana State University, Rick worked for Proctor and Gamble and Connecticut General before joining US Leasing, which was the beginning of his 35-year career in commercial finance. He held executive-level roles at US Leasing, KeyCorp Leasing, Heller Financial, GE and CIT Group. In 2007, Rick's passion, expertise and drive led him to partner with a private equity firm to start his own commercial finance company. He most recently served on the board of Stadion Money Management.

Rick's family, friends and former colleagues held a celebration of his life on April 13, remembering his many contributions to his community.



Nominate a Leader

The Michael J. Fleming Distinguished Service Award honors the accomplishments of an outstanding ELFA volunteer who has made a significant contribution to the association and the industry, and who also encourages others to contribute to the development and growth of the industry. The award recipient will be formally recognized at ELFA's 2019 Annual Convention. Submit your nomination by June 24 at www.elfaonline.org/about/awards.

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Capes On , Masks Off

Women's Leadership Forum welcomes members under the theme "Find Your Superpower"

DAY #1 OF THE 2ND ANNUAL WOMEN'S LEADERSHIP FORUM on April 1 in Washington, D.C., was nothing short of amazing. From the moment we kicked off the program, the energy was apparent and the room was buzzing. More than 170 attendees spent the better part of two days growing, networking, sharing and being present with themselves and each other.



Women's Council Chair Lori Frasier welcomes attendees.

The day began with a warm welcome and opening remarks from ELFA President and CEO Ralph Petta, ELFA Chair Jud Snyder and Women's Council Chair Lori Frasier. Attendees were urged from the first moment to take advantage of the opportunity in front of them and build some new relationships. Lori shared that it is the association's goal to create an access point for engagement, and she reminded us that leadership is not a female or a male issue—it is everyone's issue. Attendees were challenged to be intentional, to be real, to get to know one another and, my favorite,

which set the tone for the entire meeting: "CAPES ON, MASKS OFF!"

As we transitioned into the networking luncheon, we were again encouraged to take off our masks and share some real insight with each other. At my specific table, we acknowledged that it is not always comfortable to do that, or to share what we believe are our strengths. However, when gently pushed to do so, it was evident that we all are capable and do some pretty amazing things, often without even realizing it. Grit, informal mentoring, perseverance and a willingness to change were only some of the traits that were shared, and applauded, at my table.

The afternoon continued with Tanya Menon, Associate Professor at the Fisher College of Business at The Ohio State University, who focused on effective negotiations. We participated in an exercise that quickly revealed how easy it is to let our conversations go to impasse. We learned that haggling is not problem solving, and the best negotiators are those individuals who take the time to understand the other person's/party's wants and needs. Value creation comes from complexity, and we must both "value claim" and "value create" simultaneously. Success



Networking reception



Executive Leaders panel featuring (L-R) Kris Snow, Jud Snyder, Kara Miyasoto, Martha Ahlers and Amy Nelson



U.S. Rep. Judy Chu addressed the networking reception. Pictured L-R: Ralph Petta, Rep. Chu, Jud Snyder, Lori Frasier and Shari Lipski.

comes when we ask provocative questions that create both collaboration and dialogue. Further, we must be wary of our kryptonite—unreciprocated favors, reduced ROI and negative personality-based feedback—that comes from others with intent to use our power against us. To be effective, we must find signals in the noise. Before we can focus on our own message, we must first understand the other person's message. We must be able to establish ground rules, and we need to be able to speak our truth without apology.

The culmination of the day came with an esteemed executive panel sharing their powerful superpowers and how they came to both recognize and embrace them. Their personal examples

brought these traits to life, and gave attendees concrete ideas on how to emulate such characteristics.

- Kris Snow, President of Cisco Systems Capital Corporation, shared insight on her collaborative leadership style, and reminded attendees to never be afraid to ask for help.
- Jud Snyder, ELFA Chair and President of BMO Harris Equipment Finance Company, reminded us of the often undervalued superpower of simply being nice, and leveraging self-deprecation to show our human side.
- Kara Miyasato, Senior Manager of Marketing at Stryker Flex Financial, emphasized the importance of being an advocate for her team. She shared that you are not responsible for your first thought, but you most definitely are responsible for your first action.
- Martha Ahlers, ELFA Chair-Elect and President of United Leasing & Finance, reflected on fostering spirit within her team, the importance of being able to have tough conversations and the need for emotional intelligence. Her advice was to be "soft on the people, but hard on the issues." She also nudged that we all have the power within us to make the changes that we need to make for ourselves. We just have to do it.
- Amy Nelson, US President of Healthcare, Clean Technology and Technology Solutions at DLL, challenged us to jump past our kryptonite. She shared the importance of knowing what we are good at, as well as what we are not. She asked us to

recognize when we deserve to be "there" and to own it. [▶](#)

SAVE THE DATE:

The 2020 Women's Leadership Forum will be held April 20–21 at the Palmer House Hilton in Chicago.

JENNIFER FANZ is Country Sales Manager, US Healthcare, for DLL. She is a member of the ELFA Women's Council and Chaired the Planning Subcommittee for the 2019 Women's Leadership Forum.



On Day 2, a breakout session on personal branding featured Lori Frasier, President of Reuben Creative; Deb Reuben, President of Reuben Creative; and Michelle Speranza, SVP, Chief Marketing Officer at LEAF Commercial Capital.

Funding Conference Sees Strong Turnout

ELFA'S 31ST ANNUAL NATIONAL FUNDING CONFERENCE

attracted a strong turnout of approximately 640 industry executives to Chicago on April 9-11. This unique event allows ELFA members seeking funding to meet with lending sources looking for investment opportunities. A total of 74 funding sources exhibited, up from 72 last year. Plan ahead for next year: The 32nd Annual National Funding Conference is scheduled for April 21-23, 2020, at Hilton Palmer House in Chicago.



Members seeking funding met with lenders.



Women's Council Reception at the Funding Conference.

Emerging Talent Gathers in Chicago

THE EMERGING TALENT REGIONAL NETWORKING EVENT in Chicago in April drew more than 50 attendees from more than 30 member companies. The event was sponsored by PayNet and the Emerging Talent Advisory Council, whose mission is to encourage industry employees to get involved in ELFA earlier in their careers and to attract the best and brightest to the industry. Two more networking events will be held on July 17 at ELFA in D.C. and on Sept. 16 at the Hilton Chicago. Learn more at www.elfaonline.org.



Roundtables Stimulate Discussion

LEADERS FROM ELFA MEMBER COMPANIES gathered in Chicago in April to discuss hot topics and share best practices at a series of roundtables held immediately preceding the National Funding Conference. The members-only events brought together executives from bank, captive and vendor finance and independent companies to discuss the issues they are facing and how each is addressing those issues.



At the Bank Roundtable, topics included the 2019 economic outlook and its implications for bank-owned equipment finance companies, as well as fraud prevention and business email compromise.



ELFA Chairman Jud Snyder kicked off the joint luncheon with a discussion of the state of the industry.

The Independent Roundtable examined the business climate's impact on independents, as well as opportunities and threats, including lending in the digital age, data management and fraud prevention.



At the Captive and Vendor Finance Roundtable, the discussion focused on robotic automation and digital transformation, as well as managed solutions.



5 Minutes with the Independent Middle Market Chair



BRIAN ESCHMANN
Chair, Independent Middle Market BCSC

WHAT'S HAPPENING in the independent middle market sector of the equipment finance space? *Equipment Leasing & Finance* magazine recently talked to Brian Eschmann, Chair of the Independent Middle Market Business Council Steering Committee (BCSC), to take the pulse of this sector. Eschmann, President of Trans Lease, Inc., is currently serving his second year as Chair of the committee, which engages independent finance and multiline finance companies involved in transactions between \$250,000 and \$5 million, either individually or through lines.

From your perspective serving on the Independent Middle Market BCSC, what issues are independent equipment finance companies focused on this year?

Most companies in our segment continue to enjoy strong customer demand and healthy portfolios.

As with most extended periods of economic expansion, competition has grown steadily as lenders have

been attracted to our space and many of our companies have been able to grow our businesses. We have experienced narrowing interest rate spreads, yet we have also enjoyed low delinquencies and charge-offs, which have allowed most companies in our space to maintain desired returns. While most indicators remain positive, we are cautious for a couple of reasons.

First, the inverted yield curve historically precedes a slowing of the economy in the not so distant future, and, second, the widening of credit boxes by some lenders. While most of the companies represented in the BCSC have resisted changes to our underwriting, we all have memories of how this seems to have been


the case at the peak of prior cycles.

Our group did not identify a direct link to business robustness as a result of tax reform, but believe that it has combined with other positive factors such as reduced regulations and a lowering of projected interest rate hikes to spur continued confidence in the economy. Companies seem to be prepared for the lease accounting changes, but we expect that this will gain clarity as public companies implement the new standards this year prior to private companies implementing the same next year. Beyond these policy changes, members in our group are focused on streamlining operations through technology, attracting and developing new talent and implementing systems and controls to protect our businesses against rising fraud risks. Overall, we are enjoying a continuation of a historically long period of growth, but also preparing our businesses for what inevitably follows.

What do you like best about serving on a BCSC?

I have gained many new friendships and a broader perspective on the equipment finance world through my involvement in the BCSC. The diversity of our counsel combined with the entrepreneurial spirit of our members offers a unique and more complete perspective on the industry. Serving on the counsel the past few years and chairing our BCSC the last two, I have gained a deeper appreciation for and connection with all ELFA has to offer.

What's the last book you read?

Turn the Ship Around in which L. David Marquet, a retired Navy Captain, shares his model for empowerment and creating leaders rather than forging followers. 

About the BCSCs

The BCSCs represent ELFA's five key business segments: Captive and Vendor Finance, Financial Institutions, Independent Middle Market, Service Providers and Small Ticket. Learn more at www.elfaonline.org/BCSCs. Interested in joining? Contact Ed Rosen at erosen@elfaonline.org.

BE THE BOSS

ELFA's **NEW** Fundamentals of Equipment Leasing and Finance Online Course!

Welcome to the new (and improved!) Fundamentals of Equipment Leasing and Finance course—the only course of its kind for the equipment finance industry!



This course is divided into 7 micro-lessons (8-10 minutes each), allowing learners to review the vital information every person new to the industry should know. Badges are earned for completing each micro lesson.

Be the Boss

Take what you've learned and "be the boss" at Strategic Equipment Leasing and Finance, Inc. (S.E.L.F) – navigating through customer interactions, identifying the departments and individuals that should be involved in each step, and earning badges and upgrades as they go! From closing the sale to fielding customer requests and reviewing end-of-lease options, the learner will experience it all and will receive guided feedback to reinforce learning.

Who Should Take the Course?

This course is designed for those who are new to the equipment finance industry, or as a refresher for those with more experience.

Questions?

Contact Alexa Carnibella at acarnibella@elfaonline.org for more information.

ELFA INDUSTRY D

E-Docs on the Rise

According to the 2018 Survey of Equipment Finance Activity, electronic documentation usage increased to 42% of companies compared to 32% the year before.

Source: www.elfaonline.org/SEFA



Spotlight on Sales Incentives

Dear ELFA Information Central,
How are sales incentives calculated?
From Curiously Incentivized

Dear Curiously Incentivized,
The SME Compensation Surveys states that companies use a variety of methods to calculate incentives for their sales people. The most popular methods are commission (64%), target incentive (41%), incentive pool (20%) and, lastly, discretionary (18%).*

*more than one method can apply



Monthly Leasing and Finance Index Products

March MLFI Year-Over-Year



New Business Volume:
down 10%



Aging of Receivables:
up 12%



Charge-offs:
down 27%

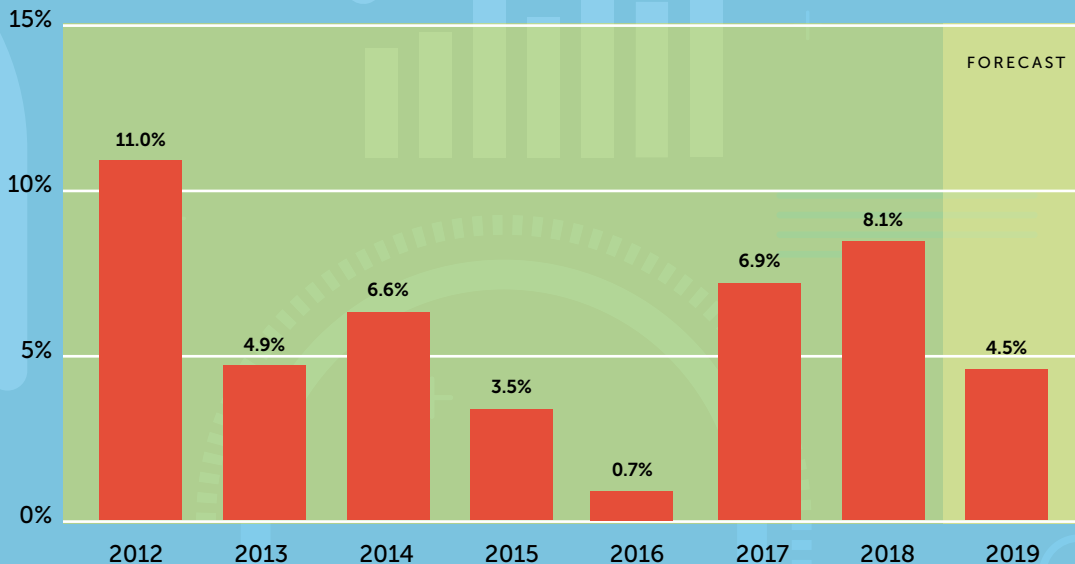


Credit Approvals:
virtually unchanged



Employment:
virtually unchanged

U.S. Equipment & Software Investment Growth Y/Y Percent Change



Source: Macrobond Financial; Projections from Keybridge

Equipment and software investment are expected to grow 4.5% in 2019 according to the Q2 update to the Foundation's 2019 Equipment Leasing & Finance U.S. Economic Outlook. Access the full report at <http://bit.ly/ELFFEconomicOutlook>.

The Case for Autonomous Vehicles

Using autonomous vehicles in the over-the-road hauling of goods and services is expected to offer major cost reductions. Cost, however, is not the only motivation, as the U.S. might need self-driving trucks to avoid a labor shortage crisis. The American Trucking Association predicts that the trucking industry will need to hire 900,000 more drivers over the next 10 years to keep up with demand. Access Robots, Cobots, and Finance at <http://bit.ly/ELFF2019Robotics>.



Leading

A woman in a white shirt and dark skirt is reaching up to touch a large, glowing lightbulb. The lightbulb is suspended by a thin black cord. The background is a solid light blue.

through



LEADING AN EQUIPMENT FINANCE COMPANY has always required a special combination of skills, from spotting underfed markets to walking a tightrope between risk and profitability. The participants of the Equipment Leasing & Finance Foundation's 2019 Industry Future Council (IFC), which met in Washington, D.C., in February, agreed that today's industry leaders must be more alert and agile than ever, monitoring trends and investing in those that will serve both customers and companies well.

Innovation

**We must innovate to stay competitive.
Industry leaders at four ELFA-member companies
share their strategies.**

BY SUSAN L. HODGES

INNOVATION IS ONE SUCH TREND, and it's growing in importance.

The process of testing ideas and translating successful ones into goods or services that create value, innovation was once viewed as an elective for companies that could afford it or were willing to assume the risks. Today, though, innovation is becoming a requirement for equipment finance firms hoping to keep pace with competitors inside and outside the industry who already innovate effectively. As IFC participants concluded, today's cutting-edge innovator has only a seat at the table tomorrow. Those who don't learn to innovate will be caught in a deadly game of catch-up.

The good news is that a number of equipment finance companies innovate already. To exemplify their efforts and highlight aspects of leadership that produce them, we bring you vignettes of four ELFA-member companies and leaders who've bucked the status quo and created new value through innovation in one or more areas. For more on this topic, read the IFC Report at www.leasefoundation.org.



Strength Through Diversity

At this national independent company located about 90 miles west of Lincoln, Nebraska in the city of Grand Island, 67% of employees are female, as are nearly 50% of managers and 44% of executives. Roughly 20% of workers are non-Caucasian. "We look for basic concepts of integrity and community in our people, and we're very inclusive in how we hire and promote," says CEO Mostafiz ShahMohammed. "We provide training to everyone, focusing on company first, but we also focus on community and family, providing flexible hours. This makes it possible for people from different backgrounds to work here. We strongly believe that our differences are a strength."

Amur Equipment Finance is one of a growing number of companies working to diversify its leadership and workforce to ensure that both represent a range of backgrounds and perspectives and also reflect the diversity of the marketplace. Writing recently in an "Executive Perspective" column for *Equipment Leasing & Finance*, Vice President of Business Intelligence and Internal Controls Kimberly Adair observed that ShahMohammed is "an ardent supporter of a diverse and strong workforce, and has built a culture that favors talent and ability over any other perceived factors or biases."

ShahMohammed arrived in the U.S. from Bangladesh at age 17 on a full college scholarship. He worked briefly on Wall Street before buying controlling interest in a company that provided equipment financing for small businesses. Today Amur Equipment Finance has offices in six states and employs people around the nation. "I'm the result of meritocracy in the U.S.," he says. "I have no limits and can do whatever I'm capable of, and I wanted to make sure everyone I hired had the same

opportunity. We're based on meritocracy and nothing else—and it is working out."

In business since 1996, Amur Equipment Finance finances up to \$2 million per transaction in more than 15 equipment segments through vendor programs and direct originations.

ShahMohammed believes that soon, much of the routine activity of his business and of equipment finance generally will be done by artificial intelligence.

"As we move closer to AI, doing more data-driven decision-making, we'll need very human attributes, such as empathy and the ability to pay attention, in our leadership teams and our sales departments," he says. "Customers will still need humans to listen to them, understand their needs and exhibit integrity in business relationships."

Jacklynn Manning, Vice President of Marketing, remembers her first days at Amur Equipment Finance. "I was shocked at the number of women who worked here," she recalls. "It was wonderful to see such a vast variety of women contributing in so many different roles. It's an anomaly in our industry, and for us it has been extremely successful. Working now to grow our sales division with more women as well as more men is encouraging and exciting."

"We need to understand that our customers are no longer predominantly Caucasian or male,"

says ShahMohammed. "The numbers are shifting to show more diversity across the board, and our industry needs to reflect that change by achieving more diversity in our workforce."



"We need to understand that our customers are no longer predominantly Caucasian or male... our industry needs to reflect that change by achieving more diversity in our workforce."

**—Mostafiz ShahMohammed,
Amur Equipment Finance**

Obsessed with the Customer Experience

Leaders at this national lending company in Fairport, New York thought traditional methods for delivering equipment financing to large, successful companies could be greatly improved. "We saw Fintechs innovat-

ing to deliver a better client experience, but they were primarily focused on small-business and high-rate lending," says President Mark Tomaselli. "We thought we had a unique opportunity, given our backgrounds lending to investment-grade credits and our progressive approach to using technology, to better the experience for these customers."

So intense was their focus on building an incomparable experience for the best customers that Tomaselli and his team soon realized they weren't designing a new equipment finance company, but building a technology company that would happen to deliver financing. The awareness took them in a new direction. Instead of immediately opening for business, Innovation Finance USA began innovating to build a platform that would deliver financing in a manner radically different from that of competitors. Says Tomaselli, "We decided not to originate any business until we'd built our platform and created an entirely new business model, because we knew if we started in a legacy manner,

we'd become a legacy business—with all the legacy challenges."

Company leaders believed consumer preferences were bleeding into B-to-B markets, making mobile technology, speed and transparency increasingly important to business customers. "Originally, I thought we'd design a mobile app to complement a web-based solution," says Tomaselli. "But we quickly saw that we could offer more capabilities with mobile technology alone." Using only mobile technology, the company could enhance security, take advantage of biometric authentication and image-capture, and allow

anyone to conduct business with Innovation Finance USA anytime and anywhere.

The leadership team continued its focus on customer experience, thinking the new company might become the Rocket Mortgage of equipment finance. "But when we downloaded the Rocket Mortgage app, we realized it was only an electronic version of the traditional mortgage process," says Tomaselli.

The discovery formed the basis of a guiding principle: If the technology is mobile, it should be simpler and easier to use than non-mobile counterparts. "We had to rethink business strategy and all our business processes," says Tomaselli. "When we ran into issues, it caused us to challenge every fundamental approach and ask if there was a better way to do it. We wanted to innovate the entire financing process so that everything could be delivered with speed and simplicity."

One year after the birth of Innovation Finance USA, the company published its QuickFi mobile application in Apple and Android stores. Says CEO Bill Verhelle, "It took us the first few months of our existence to detox from thinking traditionally. Our biggest challenge was our prior success, which we desperately needed to forget. Biometric authentication, artificial intelligence and blockchain now make for a dramatically more efficient and more secure financial transaction. No salesperson, no paperwork and complete transparency in pricing and terms allow large, creditworthy customers to initiate and complete financing in three minutes!"



"We wanted to innovate the entire financing process so that everything could be delivered with speed and simplicity."

—Mark Tomaselli,
Innovation Finance USA, LLC





"It's important to identify projects that will significantly impact customers, internally and externally, and commit to doing them."

—Martha Ahlers,
United Leasing & Finance

United Leasing & Finance

Girded for Aggressive Growth

When Martha Ahlers became President of this Evansville, Indiana-based independent nine years ago, she had big plans—and nothing that could be described as "legacy" was safe. "To grow the business aggressively, we needed to have the right systems in place," she explains. "We had to get rid of paper, manual functions and manual spreadsheets and push for automation, remote employees and remote relationships."

Within two years, United Leasing & Finance had contracted with a service provider to build a system that converted paper documents to virtual files that multiple users could work on simultaneously. "When everyone completes their contribution, the file goes to the customer," says Ahlers. Department heads manage workflow by monitoring the files in each person's queue and making adjustments when necessary.

Next came electronic documentation. Company leaders had talked for years of implementing DocuSign and eOriginal, "But few companies had done it, and there was no case law to support it," says Ahlers. Convincing company attorneys that e-docs bearing e-signatures could be certified as authentic was a long process. So was engaging with the company's syndication group of banks to get their approval. "Then we changed leads in our syndication, so we had to repeat the process," Ahlers says. Months passed.

Finally, the company's IT team set to work with DocuSign and eOriginal to build the platform and implement the solution. "We told everyone that everything would go live on a certain date this past January; it did, and there were no complications," says Ahlers. Customers embraced the changes without a whimper, and Ahlers says that the combined efficiencies created by so much new technology are nothing short of amazing.

"We could have said we're a mid-size company, and we don't need to do these things or we shouldn't spend the money," she reflects. "But education and continual learning have always been tenets of this company, and I believe in moving ahead. It's important to identify projects that will significantly impact customers, internally and externally, and commit to doing them."

What's next? "We'll create a more robust vendor portal experience through an app for phones," says Ahlers. Yes—the project will be expensive. "But we live in this instantaneous world predicated by our phones," she reasons. "They run our bank accounts and everyone has a phone unless they're younger than 12, so there's a greater need to provide account access in touch-screen environments. Besides," she says, pausing a moment, "We always have to look toward the future."



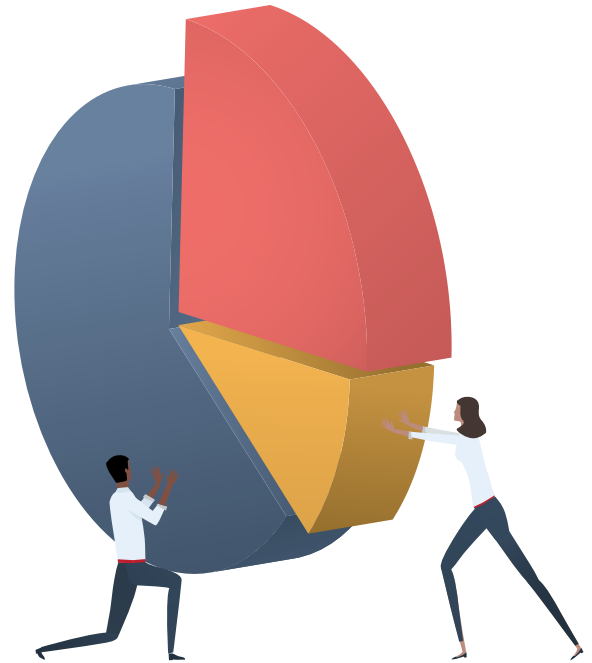
Focusing on the Future at Customer Engagement Hubs

Eileen Schoonmaker oversaw the opening of offices in four regions of the U.S. last year for this global vendor-finance company. As things go for an organization active in more than 30 countries, these could be viewed as four drops in a very large bucket. In reality, though, the offices signify an innovation for DLL known as Customer Engagement Hubs. At these sites, the company focuses solely on customers, connecting with them to deepen relationships, discuss ideas about technology and, more importantly, test those ideas together.

"We have regional cultures in the U.S. and each one is slightly different," says Schoonmaker, Senior Vice President and leader of the initiative. "When we looked at our business model, we saw a legitimate need to be closer to customers in each of those regions. The hubs allow us to create an almost hyper-focus on where the business is being done and connect with customers on new levels, putting us on the fast track of innovation."

To date, U.S. hubs have opened in Dallas; Jacksonville, Florida; Summerlin, Nevada; and Wayne, Pennsylvania. The spaces are purposefully small, accommodating roughly 25 people, and offer areas for meetings, networking, experimenting and customer use.

"Many people think that because of artificial intelligence and other technologies, you no longer need humans in a lot of locations," Schoonmaker says. "But people are social creatures and want to connect. Connecting creates an environment where you can experiment and challenge the status quo. Our hubs are also places where we can hold focus



groups around burning issues. And when you talk about those, you're inviting serendipitous concepts to grow from the conversations."

The hubs further serve as recruiting centers. "From these locations, we have the ability to recruit anywhere in the U.S. and find the best people who are customer-focused, tech-savvy and hate the idea of the status quo," says Schoonmaker. But mostly, the hubs are for talking with customers. "They give us the opportunity to educate at a different level, whether that's about technology trends we see that are of a global nature and a local nature, or about resources and partnerships that we have and our customers may not," she says.

"The hubs allow us to create an almost hyper-focus on where the business is being done and connect with customers on new levels, putting us on the fast track of innovation."

—Eileen Schoonmaker, DLL


There is yet another purpose for the hubs, and that is to contribute to what can only be called DLL's "self-disruption." Says CEO Bill Stephenson, "Every one of our members is encouraged and challenged to identify ways in which we can disrupt ourselves. When you combine this with a culture where it is safe to try, and fail, it's amazing to see the new and innovative ideas that are the result."

DLL celebrates its 50th anniversary in 2019, an accomplishment that instills pride and an acknowledgment that the company needs to continue innovating to remain at the forefront of the industry. "The value we provide has always been rooted in the true partnerships we have with our customers," says Stephenson. "These Engagement Hubs are facilitating connections that we believe will make those partnerships even stronger."

Adds Schoonmaker, "At DLL, we believe the future will be about meaningful, purpose-driven partnerships and technology that will enable them at a speed we can't even begin to understand. The hubs are helping us create that future hand-in-hand with our customers."

To learn more about innovation, its growing importance in equipment

finance, and an approach to it that may best fit industry requirements and characteristics, read the 2019 Industry Future Council Report published by the Equipment Leasing & Finance Foundation. "Embracing Innovation: Positioning Your Business for Future Success" is available

for download at www.leasefoundation.org/industry-resources/industry-future-council/. 

SUSAN HODGES writes about equipment finance and other business topics from her office in Wilmette, Ill.

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10 Tips for Proactive Talent Management

By SUSAN L. HODGES



Methods for attracting, engaging and keeping emerging talent vary, depending on company size and other factors.

But successful strategists say big or small, proactivity can make all the difference.

THREE YEARS AGO, AP Equipment Financing took the ultimate step in talent recruitment and management: the 55-person company moved its operations from Walnut Creek, California to Bend, Oregon. The culture shock was considerable, but the culture itself in Bend was just what the company was looking for. “Yes, the cost of living is lower here, but the main reason we moved was that we hire young talent, and competing for that talent and retaining it in the Bay area was very difficult,” says Chris Lerma, Chief Risk Officer.

Not only was the company competing for new hires with “all the other finance and tech companies in San Francisco,” as Lerma describes it; AP Equipment Financing was also losing talent almost as soon as it arrived. “Once we got them up to speed and they gained some experience, they started looking,” he says. “So we identified a smaller market where people had roots; a place that had an educated talent pool, but was a little stickier. Bend is that place.”

In an industry whose career prospects are overshadowed by those of investment banking, and in which companies often scramble to make adjustments only when an employee is headed for the door, AP Equipment Financing is setting the standard for proactive talent management. In high-growth mode with eight to 10 new positions a year, the company now fills these jobs with eager young professionals who want to stay in a region known for its beauty and abundance of outdoor activities. Says Lerma, “We provide a great career opportunity, and we’re pretty attractive in an area that has a great lifestyle but not a lot of employers.”

Talent-management strategies vary from company to company, influenced by organization size, resources and culture. But Lerma and other experts interviewed for this story make one thing clear: If you don’t have an effective method for hiring and hanging onto emerging



“Younger talent wants to enjoy working for a company they believe in, so we spend a lot of time defining our culture.”

**—Chris Lerma,
AP Equipment Financing**



talent, you need to create one, and soon. Millennials and “Gen Zs” have more career choices than any previous generation, and getting your company—not to mention the equipment finance industry generally—on their radar takes considerable effort. But our experts say thoughtful strategies, accompanied by active

pursuit of talent and its long-term development, make the work rewarding. Read on to learn their suggestions.



“We give time off for volunteering, and we host events for Big Brothers Big Sisters and builds for Habitat for Humanity that allow employees to volunteer together.”

—Carol Roselle,
First American Equipment Finance

1 Start Early

Carol Roselle, Senior Vice President of Human Resources at First American Equipment Finance in Fairport, New York, says her firm strives to establish relationships with young talent early, sending representatives to attend career fairs, speak on campuses and do on-site recruiting. The 250-person company also has an internship program and hosts students at open houses.

“Our strategy is around hiring early-career professionals and investing in their development so they can make long-term contributions to the company and the industry,” says Roselle. “But you have to start early if you’re going to attract the best talent. You have to go out and find them and make sure the community knows about your company and its great culture. Word of mouth is very important.”

2 Target Specific Schools and Regions

Kara Miyasato, Senior Manager, Marketing, at Flex Financial in Kalamazoo, Michigan, says her company targets certain schools and regularly campaigns at them to educate students about the equipment finance industry and publicize available positions. Flex Financial is a 60-person business within Stryker Corporation that benefits from the larger company’s Talent Office and strong recruiting team. “By targeting schools, we build an offense around recruiting that provides us with a better cross-section of candidates,” Miyasato says, adding, “If you’re not actively working on recruiting, the quality of applicants won’t be as high.”

3 Be Open to Outside Qualifications

Another aspect of the recruiting strategy at Flex Financial and Stryker is receptivity to candidates whose education and/or experience lies outside of finance. “I think companies can get caught up looking for specific criteria and overlook a lot of great talent that way,” says Miyasato. “Most people don’t plan to go into equipment leasing, so we don’t expect our credit analysts to have credit experience,” she says by way of example. “We try to be realistic about majors and experience and find the best talent—and then be willing to invest in their training.”

4 Identify Your Strengths and Promote Them

Keith Reilly, Vice President at BB&T Equipment Finance in Towson, Maryland, says larger companies can lose certain flexibility in talent management due to established programs and procedures that must be complied with. “But those things can be a strength as well,” he notes, “because bigger companies are known quantities and have programs and HR people to help you.”

As an example, Reilly says 56-person BB&T Equipment Finance is “always looking for ways to grow its bench” and takes advantage of two strong training programs that its much larger parent, BB&T, offers to recent college graduates. “A lot of divisions of the bank are interested in tapping into these resources, so we have to request that a slot in these programs is allocated to us and identify when we’ll be ready to take someone on,” he says. “We want to make sure we make the most of these opportunities.”

At First American Equipment Finance, press releases and social media posts publicize awards won by the company and prestigious lists to which the firm is added. “We also monitor social media to see if people are saying good things about us,” says Roselle. “It’s very important that our company has a good reputation.”

“Companies can get caught up looking for specific criteria and overlook a lot of great talent that way.”

—Kara Miyasato,
Stryker Flex Financial



Related Resources

Visit ELFA's "Emerging Talent" and "Human Capital" pages at www.elfaonline.org/industry-topics to access tools to attract, engage and retain emerging talent, including:

Internship Center:

A platform from the Equipment Leasing & Finance Foundation for students and organizations to find each other and make connections.

Guest Lecture Program:

Increase awareness of equipment finance and attract new talent to the industry by presenting this Foundation program at local colleges and universities.

Training:

ELFA's newly revised Fundamentals of Equipment Leasing and Finance online course and Principles of Leasing & Finance Workshops get employees up-to-speed on industry practices.

Emergence 2019:

This leadership event for emerging talent will be held July 17-18 in Washington, D.C.

Emerging Talent Regional Networking Events:

The Emerging Talent Advisory Council (ETAC) hosts networking events throughout the year for industry newcomers.

Generation Next LinkedIn Group:

ETAC created this group to help young professionals share career building and relevant industry content, connect up-and-comers with influencers and engage and educate emerging talent.



ETAC's Expanding Agenda

Buoyed by the success of its premier Emergence conference in 2018, ELFA's Emerging Talent Advisory Council (ETAC) is busy planning another one for this summer. "This event will be geared entirely toward engaging with young talent, and we're hoping to make it bigger and better this year," says ETAC member Keith Reilly.

To be held July 17-18 in Washington, D.C., Emergence2019 will feature two days of talks and breakout sessions with professionals from inside and outside equipment finance. "We'll talk about recruiting and engaging emerging talent, but the real focus will be on engagement," Reilly says. "It's also a chance to make connections with emerging talent and meet people from other companies."

Last fall, ETAC kicked off another project, the "Ask a Leader" interview series. In it, industry leaders from a range of backgrounds and experiences in commercial equipment finance discuss their formative professional years, reflect on their successes and challenges, and offer advice for future leaders.

The Conference and interview series complement a handful of regional networking events that take place throughout the year. Coming up are sessions in Washington, D.C. in July and in Chicago during September. "These evening events are great opportunities to get out and network, particularly if you're unable to attend other industry meetings," says Reilly.

ETAC's mission is to further develop and involve the next generation of emerging company leaders in the industry and activities of ELFA. To be considered for membership, contact ETAC Liaison Alexa Carnibella at acarnibella@elfaonline.org.

5

Explain the Big Picture and Each Person's Role in It

Talking with individual employees early and often about the company's mission and how their work contributes to it is also critical. Reilly says doing this results from a push for transparency seen across multiple industries. "It used to be that you expected people to keep their heads down and work at what they were given until new opportunities arose," says Reilly. "Now it's necessary to share with employees the next several steps you foresee for them. In today's marketplace, I think it's expected that those types of conversations will occur—and it's important to have them early." At BB&T Equipment Finance, divisions that hire emerging talent from bank training programs are responsible for the talent's success. Says Reilly, "It puts the onus on us to make the most of whoever we hire, that they are engaged and see the big picture and the path we want to grow for them. We don't want them to leave because they don't understand it."



"It used to be that you expected people to keep their heads down and work at what they were given until new opportunities arose. Now it's necessary to share with employees the next several steps you foresee for them."

—Keith Reilly, BB&T Equipment Finance

Dave Mirsky, CEO of Pacific Rim Capital, Inc., a 70-person company in Irvine, California, chuckles when he thinks of all the changes he's witnessed in emerging talent and talent management over the span of his career. "I have to communicate a lot more than I used to," he says. "We have many more all-hands meetings to keep everyone informed, and we meet with people individually to explain how their work impacts the big picture. We also create more opportunities for advancement and provide more training, because all of these things are ways to keep good people."

6

Accommodate Social Needs

Mirsky says the company has also adjusted social aspects of its culture. "We've learned not to leave emerging talent with a project and tell them to check in in a few days, because they're used to working collaboratively and want more interaction," he says. "So we've found more opportunities for people to sit and work together, and the new offices we're designing will include a lounge area where people can hang out and chat."

7 Don't Worry About the Small Stuff

Mirsky has spent a great deal of time and focus training managers, bringing up a new generation of managers and learning what keeps good employees. "I've learned that you can't be judgmental about how people look, or about sexual preference or even about gender," he says. "If you care about that stuff, you're living in the wrong century—and it's not the way to keep your people."

To date, General Counsel and Vice President of Operations Steven Mirsky has led the company charge on all things HR. But that will change when an HR professional is brought on soon. "I'm looking forward to it," says Dave. "We have a highly diverse staff of college-educated young professionals, many of whom are bilingual, and they're a very motivated group. Today we're much more effective digitally, we have new marketing materials, we'll soon have a new website, and our emerging talent has brought all of this. We want to keep them and bring in more young professionals who'll help keep us at the top of our game."



"I've learned that you can't be judgmental about how people look, or about sexual preference or even about gender. If you care about that stuff, you're living in the wrong century—and it's not the way to keep your people."

—Dave Mirsky, Pacific Rim Capital, Inc

8 Define and Improve Your Culture

Recruiting is one thing; engaging employees and making them feel part of a larger purpose is another. To keep its people involved and happy, AP Equipment Financing recently formed a Culture Committee. "Younger talent wants to enjoy working for a company they believe in, so we spend a lot of time defining our culture," says Lerma. The committee is composed of one person from each division and meets for several hours each quarter to understand, define and improve company culture. "Then senior management sits down and thinks about it, too," says Lerma. Ideas from the committee are examined and considered, and leaders examine their own effectiveness. "We look at whether employees are happy, whether we're communicating well, and whether we're transparent," Lerma explains. "We even have a happiness score card, and we survey for this twice a year and track the scores. Scores are a component of senior management's year-end evaluation."

9 Think—And Act—Outside the Box

An idea from the Culture Committee has AP Equipment Financing leaders thinking about converting to a four-day work week. Schedules would vary so that the office remains open Monday through Friday. "A lot of our employees have high-pressure jobs," says Lerma. "Sometimes they work long hours, and a four-day work week would provide greater work-life balance."

Outside-the-box thinking at First American Equipment Finance prompted a colleague to tell CEO Alan Sikora she

thought the company needed a dedicated Director of Digital. "She told us what she thought the job would look like, and now she's in that role," says Roselle. "She oversees everything digital and the client experience, making sure we have best-in-class digital as well as a great human experience for our customers." Employees are encouraged to have open conversations with their managers and with HR about opportunities that interest them and career paths in other departments. Says Roselle, "If they're interested in moving to another department or creating a position, we're open to supporting it."

10 Manage for the Long-term

Kara Miyasato's 11.5 years at Flex Financial reflect the company's dedication to employee engagement. "An important principle here is that employees don't leave companies, they leave managers," Miyasato says. "That's why management training is so important. People who manage should want to manage and be given the training and tools to do their jobs. If that's not the case, people will leave because they don't feel supported."

Training in performance management is particularly important, Miyasato says, because inattention to one person's poor performance can cause others to leave. "Having someone who's complacent or not engaged can lower the mood of the entire team," she says. "When this isn't addressed because a manager doesn't have the training to deal with it, the really talented people move on."

Roselle says long-term talent management should also include nurturing the external community. "We've worked hard to create a place where people share our vision of giving back to the community," she says. "We give time off for volunteering, and we host events for Big Brothers Big Sisters and builds for Habitat for Humanity that allow employees to volunteer together. Our people love their company and community, and we want that to always be the case. Happy employees help recruit others. They're our greatest ambassadors." ☰

SUSAN HODGES writes about equipment finance and other business topics from her office in Wilmette, Ill.

WHAT LIES AHEAD?

**ELFA members “knock on wood”
during long growth streak**

BY GWEN MORAN



AVID SPORTS FANS can become superstitious during long winning streaks. The longer the winning season, the more exuberance gives way to cautious optimism—and perhaps some self-depreciation. Speaking with leaders in equipment leasing and finance has a similar feel lately. The industry is doing well, but the longer the expansion goes on, the more leaders become concerned about a possible downturn. For many industry veterans, memories of the economic downturn are still fresh, even though it was roughly a decade ago.

Members of ELFA are still experiencing positive conditions overall. The association's quarterly Beige Book compiles survey data from four of the organization's Business Council Steering Committees (BCSCs)—captive and vendor finance firms, financial institutions, independent middle market companies and small ticket firms. And while each BCSC reported another quarter of growth to close out 2018, uncertainty around recession indicators, trade agreements, the new tax law's impact and other factors are creating a few clouds in the distance.

Each of the four BCSC chairs reviewed the Beige Book data from 2018's final quarter. Here they share their insights about growth, competition and what lies ahead.



Growth is still the name of the game for many members, says Shannon Stangl of DLL.

Growth Is Strong and Competition Is Fierce

Growth is still the name of the game for many members, including the Small Ticket BCSC, says Shannon Stangl, Committee Chair and Country Sales Manager at Wayne, Pennsylvania-based DLL. All small ticket respondents reported a year-over-year increase in new business, and her firm was no exception.



"We have been fortunate," Stangl says. DLL's investment in improving auto decisioning rates, especially, has paid off. "Our auto decision rates are close to 70% and our approval percentages are in the 80th percentile." Such precision focus on profitable sectors is common strategy among some member segments and an example of how some members are strengthening their positions in certain lines of business.

In addition, capital is still flowing. Across all business sectors, slightly more than 9% reported lack of capital affecting new deals. The number was greatest in the captive and vendor finance sector, where the number was roughly one in four.

However, growth today requires hard work. "New business volume has been strong, primarily driven by continued market growth.

Competition remains fierce as companies search for yield in a raising interest rate environment," says Troy Graziani, Chair of the Captive and Vendor Finance BCSC and Director of Corporate Operations and Business Intelligence at Toyota Industries Commercial Finance, Inc. in Dallas. As a result, most respondents (60%) saw spreads narrowing, with the small ticket sector hardest hit—88% of respondents reported spreads getting tighter. Overall, 35% of respondents across all sectors reported spreads remaining the same while just 5% saw them increase.

Kirk Phillips, Chair of the Financial Institutions BCSC and President & CEO of Wintrust Commercial Finance in Frisco, Texas, says that his firm was among the minority that saw spreads widen. He chalks up the increase to the firm moving to more direct origination, so they capture more of each deal's value. "I also think

our entire team across the board does a better job of pushing relative value pricing, rather than just bidding on a deal and trying to beat the market," he says.

Competing Means Accepting More Risk

As ELFA members face stiff competition, there are signs that they may be starting to take on more risk, too. While just 6% of those reporting year-over-year increases overall attributed the bumps to looser credit underwriting, one-third of those in the Small Ticket BCSC said looser standards led to more business.

"We are seeing some lenders start to widen their credit box in an effort to hit their numbers and attract business that they're losing to an over-abundance of competition," says Brian Eschmann, Chair of the Independent Middle Market BCSC and President of Trans Lease, Inc. in Denver. "There's definitely some risk being taken in the industry."

Nearly one in five (19%) respondents overall reported jumps in delinquencies and losses, but that ratio jumps to half in the small ticket sector alone. Fourteen percent said delinquencies and losses declined overall—most so in the captive and vendor finance sector, where one in four reported declines. For most (67%), delinquencies and losses stayed the same. And while tight post-recession underwriting had meant a long stretch of near-historic lows in such late and non-payers, members have been reporting increases over the past years. "You look at some of the financing that's being done both inside and beyond the equipment finance world and think to yourself, 'Gee, we're back to that?'" Eschmann says.

Graziani isn't worried now but says it's something to watch. "The overall credit environment remains relatively stable. With sustained growth



Many ELFA members are still processing how the new tax law and lease accounting standards will affect them, says Kirk Phillips of Wintrust Commercial Finance.

Media attention may be fueling fears of a slowdown, says Troy Graziani of Toyota Industries Commercial Finance, Inc.



Don't miss the latest data:

- ELFA's Monthly Leasing & Finance Index and Quarterly Beige Book at www.elfaonline.org/data/MLFI
- The Foundation's monthly Momentum Monitor, Monthly Confidence Index and quarterly Economic Outlook Report at www.LeaseFoundation.org.

over such a long period, changes in delinquency and charge-off trends will be something to closely monitor for the foreseeable future," he says.

Competition and losses haven't affected hiring zeal, however. Across all sectors, 72% of respondents say they're staffing up, while 23% expect to keep employee headcount the same.

Standout Industries Are (Mostly) Based on Specialization

Another constant that has carried forward quarter after quarter is that specialization can make one firm's laggard another firm's standout. Just as Stangl's DLL has built specializations in healthcare, construction and technology financing that have performed well, other firms have specialized too. Developing deep expertise in a vertical market allows ELFA members to know the terrain and build a solid book of business. It's also the reason that industries like construction and agriculture appear on the both the "best" and "worst" performing industries for sectors like captive and vendor finance.

ELFA Members Face Challenges—But Keep Growing

ELFA members and their customers continue to face changes and challenges with grit. Many are still processing how the new tax law and lease accounting standards will affect them, Phillips says. He doesn't expect the impact of those changes on equipment leasing and financing to be clear for some time, especially among

privately held companies, which may be less well-versed in such areas than public companies, which may have a deeper bench of tax and finance professionals.

Other matters are more front-of-mind for his BCSC's customers. The tight labor market is driving up costs. So are trade disputes and the cost of state, local and federal regulation compliance.



There's definitely some risk being taken in the industry, says Brian Eschmann of Trans Lease, Inc.

Graziani says that media attention may be fueling fears of a slowdown. "Most pundits see a recession on the horizon to the point where it's probably going to become a self-fulfilling prophecy," he says. "Properly planning and having appropriate contingency strategies prepared now is critical."

Phillips also ponders whether fears may be overblown, reiterating a point made at a recent ELFA event: "Expansions don't die of old age." Usually, an event disrupts expansion rather than a fixed economic cycle. He points to Australia's 28-year expansion as an example. But it's better to be prepared. His firm tightened credit underwriting last year to better position itself for an economic slowdown.

Eschmann says the inverted yield curves also point to a looming downturn, perhaps within the next 18 months. But, the overall vibe is good—consumer demand is strong enough to help businesses "drown out the noise" and keep moving forward. "I think there are a lot of reasons to be positive but also to be a little bit cautious," he says. ■

GWEN MORAN is a New Jersey-based freelance business and finance writer.

The Basics of Blockchain

BLOCKCHAIN is often hyped as the future technological backbone of everything. This article is intended to ignore the hype and to serve as a starting point in thinking about how blockchain might impact equipment finance.

The Five Principles of Blockchain

To be called a blockchain, a solution needs to have five characteristics:

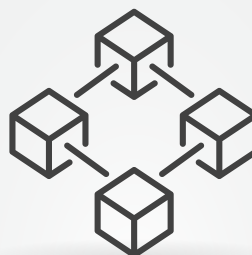
- 1. Distributed database.** Each party to a blockchain has access to the whole database and its complete history.
- 2. Peer-to-peer transmission.** Communication occurs directly between users. Each user stores and forwards information to all other users of the chain.
- 3. Transparency with pseudonymity.** Every transaction and its respective value are visible to anyone with access to the chain. Each user has an alphanumeric address that identifies it. Users can choose to remain anonymous or provide proof of their identity to others.
- 4. Irreversibility of records and the Agreed Truth.** Once transactions or parts of those transactions are put in the database, the records cannot be changed, because they are linked to every transaction record that came before them. Algorithms ensure that records on the database are permanent, chronologically ordered, and available to all others on the network. However, no single party regulates the data or the information. Every party can validate the records of its transaction partners directly. A transaction becomes part of the database only when a majority of users agree. This means the parties to the blockchain are agreeing what is the "truth." (Note that agreement can be automated. If the input meets pre-defined criteria, the blockchain can be programmed in advance to recognize such input as automatically agreed to.)
- 5. Computational logic.** Users can set up algorithms and rules that automatically trigger transactions

between users. This is sometimes, and confusingly, called a "smart contract." In reality, it is just software code saying if X happens, then Y happens.

Two Caveats

First, it is important to remember that bitcoin and blockchain are NOT synonymous. Bitcoin uses a blockchain to work. But you can build your own blockchain using software code to do whatever you want your blockchain to do.

Second, it is easy to get lost in the technology. Do you know how email works? Probably not. But it does. Same thing with blockchain. Leave the technology to the experts and focus on how it can help your business.



**You can build
your own
blockchain using
software code
to do whatever
you want your
blockchain to do.**

A Spring-Fed Stream

Blockchain got its name because transactions on it are put into blocks and each block is chained together with other blocks. But I think a more helpful metaphor for equipment finance is a spring-fed stream; the bubbling spring is the decision to acquire equipment, and where the stream empties into a lake is the acquisition of the finance contract by a funder.

As the spring water moves, it starts to collect water from other ground sources. The customer adds some information in the form of financial statements. The credit team adds some details with its analysis and decision. Operations adds some structure with documentation. More is added by the equipment manufacturer. And on it goes until we have our stream.

So now we come to the point where the equipment financier wants to sell the stream. In many situations,

the stream has become muddied. The funding source, unable to see the stream bed clearly, discounts what it will pay to cover the uncertainty.

Fortunately, blockchain can prevent the stream from becoming opaque by allowing only approved sources to add only clear water. Let's talk about how.

Blockchain's Clear Waters

Let's go back to the Five Principles and apply them to our metaphor.

1. Distributed database. In our stream, all the parties involved have access to the stream, just like each party to a blockchain has access to the database. Note that not all parties can necessarily see all parts of the stream. The stream can be designed so that a party only sees what that party needs to see. Also, the stream can be designed so that only clear water (i.e., clear information) can be added.

2. Peer-to-peer transmission. In a traditional lease stream, the customer would give their financials to the financier, who would then turn them over to the funder if requested. In our metaphor, once the customer's financials became part of the stream, the funder could see them without the financier needing to forward them. This feature would apply to equipment appraisals, credit analysis or to any input.

3. Transparency with pseudonymity. While the transparency from per-to-peer transmission would be an important feature of our stream, pseudonymity would likely not be allowed. However, a party's identity could be masked for blind assignments or if otherwise needed.

4. Irreversibility of records. A key feature of our equipment finance stream is that once water is added to the stream, that water cannot be altered or removed. When combined with the clear water restriction noted above, it is easy to see how the cloudiness and the resulting uncertainty can be avoided.

5. Computational logic. This principle is likely the most important feature of our stream. The stream can be designed so that most events can trigger a follow-on event. For example: Completion of a credit review can automatically trigger documentation being sent to the customer; a customer's electronic execution of the documents can result in setting up an auto-debit from the customer's bank account; the booking of the transaction can result in it automatically being sold to a funding bank (or automatically

put into a pool of other transactions and sold auction-style to the highest bidder). Of course, the above could be achieved without blockchain. We call that process automation. But the difference is that because of all the other principles, the stream will not become muddy and the funders should be willing to offer more for the stream since there is less risk.

Like Anything Else...

Making a blockchain successful in the equipment finance industry will not be easy. Like anything else worthwhile, it will take an investment of time and money. Hopefully, this article has piqued your interest in examining the cost/benefit of such an investment. ☰



SCOTT KEARNS is Senior Legal Director at Dell Financial Services and a member of the ELFA Legal Committee.

Related Resources

For more on blockchain, access these resources:

Blockchain 101— This article from the Nov/Dec 2018 *Equipment Leasing & Finance* magazine reports on ELFA members' awareness of, opinions about and current involvement with blockchain, based on a recent survey. <http://bit.ly/2Qy1pgu>

New Technologies Video— A comprehensive visualization from the Equipment Leasing & Finance Foundation for how artificial intelligence, blockchain and smart contracts will impact the equipment finance model over the next five years. <http://bit.ly/2PcoZ1i>

Three New Technologies Whose Time Has Come in Equipment Finance— This article from the Foundation's Winter 2018 *Journal of Equipment Lease Financing* illustrates how both equipment finance companies and their customers will benefit from early adoption of artificial intelligence, blockchain and smart contracts. <http://bit.ly/2DSj6FB>

Blockchain: Staying Ahead of Tomorrow— This article from the Foundation's Spring 2017 *Journal of Equipment Lease Financing* offers an overview of how blockchain works, implementation hurdles, the implications for smart contracts and more. <http://bit.ly/2Ni41wm>

Control Versus Risks and Rewards

Some lease accounting impacts of the shift to a control-based model

THERE WAS A TIME when accounting professors drummed into you and the rest of the class that accounting for transactions was based upon whether or not the risks and rewards of ownership had passed from the seller to the buyer. The now superseded FAS 13/Topic 840 on leasing was built around the application of a risks-and-rewards approach to lease accounting. Revenue recognition for sales of goods and services was also based upon this approach. This view of the world has faded away over the past 20 years, as transactional accounting standards have adopted a control-based model and both the new leases and revenue standards are built upon control and whether it has passed from one party to another.

There have been articles on both of these standards in the Financial Watch column, but there is still much to absorb. As companies move into a world in which they are dealing with both standards simultaneously, they are sometimes encountering results that are not in keeping with the way they are used to analyzing the accounting for transactions. This is particularly true when one is attempting to analyze sale leaseback transactions. This article will:

- Compare the definitions of control in the leases standard to that in the revenue standard, and
- Consider several implications of the control model on sale leaseback transactions.

How Do the Definitions of Control Differ?

ASC 606, *Revenue from Contracts with Customers*, and ASC 842, *Leases*, have similar approaches to control, but there are some differences that are apparent when the two approaches are put side by side. This issue matters because the first step in sale leaseback accounting is the sales leg. The following table considers some of the important accounting considerations that need to be anticipated and highlights the significant similarities and differences between the standards. (See table, p. 41.)

In total the two approaches to control are the same, except for the provisions that allow for:

- The leaseback to exist and not compromise the transfer of control, and
- The existence of a seller-lessee purchase option.

If a sale leaseback is entered into, the seller-lessee must meet the ASC 842 sale (transfer of control)

requirements to get into sale leaseback accounting or they will have a failed sale and would keep the asset on their books and record the sales proceeds effectively as a loan. The lessor would also record a loan receivable rather than a purchase and a lease.

While the control approaches are similar, there is an important difference between ASC 842 and ASC 606. Revenue recognition is built on whether control has passed to the customer, and it takes the customer perspective when deciding if a sale has occurred. It does not, however, state when the customer/buyer needs to recognize a payable. It only addresses the accounting for revenue. ASC 842 does incorporate symmetry into lease accounting (e.g., in sale leaseback transactions). As a result, there may be circumstances when control has passed to the customer under ASC 606, but the customer does not have an asset. For example, the situation could exist where the seller has delivered an asset to a customer and has recognized revenue before the final installation is complete and customer acceptance has been received because installation performance is considered perfunctory. If the asset is then leased to the customer, the seller-lessor may have to consider how the prior revenue recognition and passage of control to the customer influences their lessor lease.

The Question of Scope

Among the most difficult questions accountants face is the question of what accounting guidance a transaction falls under. It is an often-repeated truism that the accounting for a transaction is easy—but the analysis of the scope is what is difficult.

Questions and Elements to Consider	Leases, ASC 842	Revenue Recognition, ASC 606
Is there a contract between the parties?	References 606, no additional guidance.	Requirements include: a) Parties have approved the contract; b) The rights of the parties can be identified; c) Payment terms can be identified; d) Contract has commercial substance; e) It is probable the buyer can collect the purchase price.
Has the seller satisfied its performance obligations to the buyer?	References 606, no additional guidance.	Indicators include: a) The buyer has a right to payment; b) Title has been transferred to the buyer; c) Physical possession has been transferred; d) Significant risks and rewards of ownership have transferred from the seller to the buyer; e) The buyer has accepted the asset.
Seller leases back the asset	Does not preclude sale accounting even if seller has physical possession of the asset. If the lease is classified as a finance lease, however, a sale has not occurred as the seller is considered to have retained control over the asset.	Topic 606 indicator not applicable to leases.
Existence of a sublease	Does not preclude sale accounting.	Topic 606 indicator not applicable to leases.
Purchase options	A fair market value purchase option does not preclude sale accounting provided alternative asset exists in the marketplace.	Forward purchase option can preclude sale accounting as the buyer has not obtained control of the asset.
Put options	Not addressed in ASC 842.	Does not preclude sale accounting.

If a company has an asset they are currently using in their business, a sale leaseback of that asset would be within the scope of ASC 842 as the seller controlled the asset prior to the sale. In other situations, where the asset has not been delivered, it is not as clear whether the ultimate lessee has control over the undelivered asset. If the lessor and lessee are going to avoid sale leaseback accounting, additional effort may be required. For example, a company that wants to lease an asset that has not yet been ordered could identify a lessor before committing to buy and making down payments on the asset. Alternatively, the lessee could sign an agency agreement with prospective lessors stating the future lessee is acting as an agent of the lessor and is not a principal. An agent is not responsible for providing the asset to be sold and leased back, takes no inventory risk and does not set the price (the price would be the asset cost) or have a profit element other than a fee, if any, for services.

In addition to these considerations, there is an evolving view that if the future lessee has had some involvement

with an asset that is being constructed (for example it has accepted delivery of steel that will be used in construction of an asset), the transaction might not be subject to sale leaseback accounting since the asset is under construction and does not have the same utility as the completed asset. This approach recognizes that the old approach to lessee involvement in asset construction developed when there was a significant on/off switch for balance sheet recognition. Now that all leases are on balance sheet the lessee recognition is less of an accounting issue. Under lease accounting, the lessee will ultimately record the asset and liability is determined by its actual liability under the lease agreement. This is a positive outcome that springs directly from the capitalization of lease obligations under ASC 842. [≡](#)

JOHN BOBER is Chair of the ELFA Financial Accounting Committee and Managing Member of IXL Lease Advisory Services, LLC.

3 Steps to Get Your Business Ready for Change in Washington

WASHINGTON SEEMS TO BE STUCK in a zero-sum political gamesmanship scenario for the foreseeable future. With so much noise on the left and the right, the governing middle has become pretty quiet and not much legislative activity is expected prior to the 2020 elections. At some point, though, something will change, whether in response to a crisis or single-party rule of Washington someday down the road. Here are a few things you can do today to prepare yourself for the inevitable change.

1. Meet Your Member of Congress

For most members of Congress, how much commercial equipment is leased or financed is not a front-of-mind statistic. Many have little appreciation for the role that our industry plays in the national economy. The percentage of awareness goes down dramatically if the elected representative is not on a fiscally focused committee and goes way up if they were recently elected. Members of Congress like touring businesses in their districts, and while manufacturing facility tours may make better pictures, they get just as much value out of meeting with senior leadership in a conference room or having a town hall with employees. Set up a meeting with your elected representatives today and tell them the role your company plays in the local and national economy.

Tell your elected representatives the role your company plays in the local and national economy.

interest deductibility shoe horn is going to impact companies that are already close to the 30% limitation and losing the ability to deduct a portion of their business interest. We are already hearing concerns about what

happens when these provisions kick in. Now is the time to talk to your tax and accounting teams to figure out what impact these changes will have on your business. The outcome of this process is a great thing to discuss during the meeting you've scheduled with your member of Congress.

3. Vote (Twice)

If you want to shock a member of Congress, tell them you voted for them twice. The catch to the joke is that you must vote in the primary. General elections are like the Superbowl: Most people pay attention even if their team isn't playing, but only one of two teams can win. Primaries are more like a regular season game, and other obligations can easily take precedence and cause you to miss the game, even if your favorite team is playing. Of course, the catch is that if you don't win enough regular season games, you'll never make the Superbowl. With congressional district lines being drawn the way they are, the outcomes of most congressional elections are usually predetermined by the primary results. So, if you care about who your member of Congress is, please vote in your primary elections, which will start in early 2020. [E](#)

2. Run Your Numbers

When tax reform was passed in late 2017, the authors needed several varieties of shoe horns to fit a size 15 foot into a size 12 shoe. Two of those mechanisms were central to the business of equipment finance. The first was a phase out of 100% expensing starting in 2023, reducing by 20 percentage points per year until it reaches zero.

The second was a change in the way adjusted taxable income is calculated for purposes of determining whether a business's interest expenses are deductible or not. Starting in 2022 companies will no longer be able to add back depreciation and amortization when making this calculation.

The depreciation shoe horn is going to affect all business to varying degrees depending on how much personal property they depreciate in a given year. The



For more information, contact **ANDY FISHBURN**, ELFA Vice President of Federal Government Relations, at afishburn@elfaonline.org.

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Submit a proposal to lead a discussion at the **58th ELFA Annual Convention**, October 27-29, 2019 at the Marriott Marquis Washington, DC.

The vision for the future remains bright, with many equipment finance professionals able to point to real opportunities in a variety of sectors. We invite you to share your ideas for innovating, winning business and leading in an age of rapid change. We are seeking diverse perspectives on how to prepare for the next generation of equip-

ment finance, from delivering value to customers, to leveraging new technology, to entering new markets. This is the premiere venue to discuss the leading trends, issues and solutions in the equipment finance industry.

Please note: ELFA is committed to gender and ethnic diversity representation among session presenters.

All proposals will be reviewed by a committee of your peers, including representatives from each of the business council steering committees and the ELFA Board of Directors. Entries must be received no later than 11:59 pm EST, Friday, June 28, 2019 – No Exceptions.

You may find the complete details on how to submit a proposal here:

<https://www.elfaonline.org/events/2019/ac/call>

Questions? Please contact Heather Staverman at hstaverman@elfaonline.org

Submissions Due by 11:59 pm EST, Friday, June 28, 2019



EQUIPMENT LEASING AND FINANCE ASSOCIATION
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ELFA Forms Workgroup on Consumer Privacy Legislation

ELFA HAS BROUGHT TOGETHER LEGAL MINDS within the association to address industry concerns regarding consumer information privacy protections and restrictions enacted in California and being introduced in a number of additional states. The CCPA AG Workgroup is collaborating to determine the appropriate strategy and proactive steps ELFA will undertake to protect our members' interests and prevent this legislation from expanding to or impacting commercial equipment lease transactions. For background and the latest information on this and copycat legislation being introduced across the country, see below:

The California Consumer Information Privacy Act of 2018 (CCPA), enacted into law in 2018, will take effect on Jan. 1, 2020. This act restricts how, what and to whom private consumer information can be collected, disclosed and sold by businesses. At present, ELFA and our CCPA AG Workgroup are engaging the contentious rulemaking process in California. ELFA is also monitoring closely copycat introductions in 10 additional states (CT, HI, IL, MA, MS, NY, ND, RI, TX and WA).

the Legislature, whereas only another ballot initiative can amend a ballot enactment by California voters.

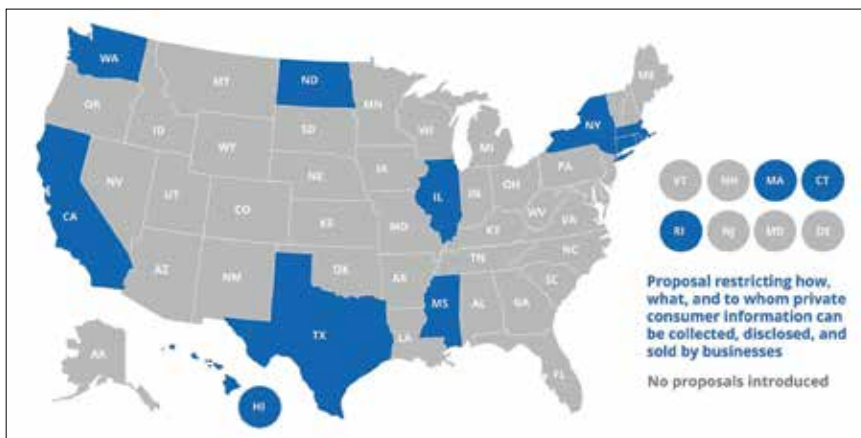
The CCPA focuses on consumers defined as natural persons who are residents of California, as defined by Section 17014 of Title 18 of the California Code of Regulations, who are granted the right to know specifics of their personal information collected by a business including where it was obtained as well as how and to whom it is sold or disclosed. An adult consumer

may halt sale of his or her data, or "opt out," in addition to withholding permission in most cases for collection of his or her data altogether. If younger than 16 years of age, he or she must opt in with specific permission. Reprisals of less service or higher prices by a business are forbidden.

Major business organizations representing companies dealing with consumers have taken the lead position in advocacy on this statute. Other organizations in the business to business sector including ELFA are apprehensive about proponents of this act suggesting it is not confined to natural persons as it might in some

circumstances involve companies having transactions only with other businesses. Additional information and background can be obtained from the Attorney General Press Release at <https://oag.ca.gov/news/press-releases/attorney-general-becerra-hold-public-forums-california-consumer-privacy-act-part>. Full discussion of these issues was scheduled during the ELFA Legal Forum, which took place April 28–30 in San Diego. ☰

For more information, please contact ELFA Vice President of State Government Relations **SCOTT RIEHL** at sriehl@elfaonline.org.



As background, in late 2018 the California Legislature hastily crafted and introduced the Consumer Information Privacy Act, a bill that flew through both houses and six days later was signed by the Governor. This swift action was intended to forestall approval by the Secretary of State of petitions signed by voters seeking to place a more restrictive initiative on the same issue on the November ballot. Ballot initiative sponsors subsequently kept their promise to withdraw the ballot question if the Legislature acted first. Another motive for the haste and taking this route is a legislative enactment can later be revised by

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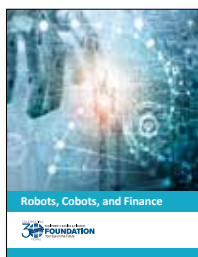


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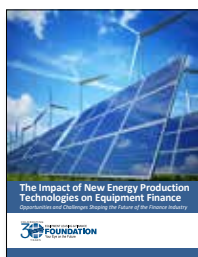
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Robots, Cobots and Finance— Increased robotics utilization among manufacturers and end-users will generate greater financing opportunities as robotics continue to change how business is conducted in the future, according to this report. The study, commissioned by the Foundation and prepared by The Alta Group, reveals that the key elements affecting future financing for robots are their level and autonomy, with autonomous robots creating the largest financing opportunities.



Independents: Banking on the Non-Banks— What is the domain of independent financing companies? How do independents create value and differentiate themselves from often much larger and lower rate competitors? This study addresses these and other questions about this critical source of equipment finance. The in-depth report commissioned by the Foundation was prepared by FIC Advisors, Inc. and follows up on their 2011 Foundation study on independents.



The Impact of New Energy Production Technologies on Equipment Finance— Disruption in the energy sector presents significant opportunities for investors, financiers, equipment vendors and solution providers. This in-depth study, commissioned by the Foundation and prepared by Navigant

Research, forecasts across-the-board growth in energy sectors related to a shift in emphasis from centralized fossil power generation to renewable energy.

Some of the most popular studies published by the Foundation include:

- **2019 Equipment Leasing & Finance U.S. Economic Outlook—** Updated quarterly, this resource highlights key trends in equipment investment and places them in the context of the broader U.S. economic climate.
- **Momentum Monitor—** The Foundation-Keybridge U.S. Equipment & Software Investment Momentum Monitor consists of indices for 12 equipment and software investment verticals. These indices are designed to identify turning points in their respective investment cycles with a three- to six-month lead time.
- **Equipment Leasing & Finance Industry Horizon Report—** This in-depth report is a hybrid version of the former State of the Equipment Finance Industry report and the quadrennial market sizing study. The report includes an end-user survey and a comprehensive analysis of the size and expected growth of the \$1 trillion U.S. equipment finance market.

These resources are only a sample of all that the Foundation produces. Visit the Foundation's online library at www.leasefoundation.org to download these studies and more—for FREE—to stay ahead of the curve. ☰



ANNELIESE DEDIEMAR is the Equipment Leasing & Finance Foundation's Director of Marketing and Communications.



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Making the Right Investments for Your Business

THE OLD ADAGE “YOU GET WHAT YOU GIVE” is one that translates well in the business setting, and when I think of giving in the business setting, I think of investing. There are several ways to invest in a business. We consider the first step to be investing in your people, but investing in your brand is also important, as well as investing in new technologies and the streamlining of processes for customers and employees. Any investment made in a company should pay for itself over time, but the considerations below are investments we have made here at Marlin during the last few years to improve our customer support, elevate our brand and positively impact our employees.

Building Relationships

Cultivating strong relationships is no small task in any environment, but doing so within a business setting can pose an even bigger challenge that requires time and effort.

For more than 20 years, Marlin has provided equipment financing to small businesses through a broad range of partnerships with thousands of equipment dealers, manufacturers and resellers nationwide who have helped create a referral process with us as their customers require financing at the point of sale. Our vendor model is unique because it not only presents us with highly qualified leads, but we're able to leverage those leads and the initial cost of customer acquisition across multiple transactions. This allows us to acquire new customers cost effectively while also building valuable long-term relationships with those customers.

Branding

Over the last few years, Marlin has experienced a significant strategic transformation to accelerate its growth. Through this transformation, the company—which historically served primarily as a provider of equipment financing products through equipment dealers—has become a broader

provider of credit products and services to small businesses, including a specific focus on providing more financing directly to our existing customers.

Given this transformation, we recently launched our new brand identity to reflect our new growth strategy. This rebrand was critical to the company's continued success as it provided a unique opportunity to creatively express our new strategy and the expanded products and services we now provide through a new brand.

Fostering Continuous Improvement

Marlin processes a high volume of small balance transactions making automation crucial to reducing unit processing costs as well as reinforcing the value proposition of speed and convenience in small balance lending with our customers.

In this high-volume processing environment, the application of technology has become an increasingly important strategic capability—especially with our increasing focus on creating digital channels within our business. Whether this is indirectly through our partners or when we transact directly with an existing customer, the ability to interact in a digital way is becoming critically important to us.

By recognizing the importance of investing in your business, and making the right investments—in relationships, branding and other necessary improvements—you position your company for success. ■

JEFFREY HILZINGER is President & Chief Executive Officer of Marlin Business Services Corp.



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Previous O&TE Award Winners:

- (2018) CWB National Leasing Inc.
- (2017) CIT Direct Capital and Mintaka Financial (Honorable Mention: Cisco Systems Capital)
- (2016) LEAF Commercial Capital, Inc. and National Leasing
- (2015) Element Financial Corporation and Quick Bridge Funding, LLC
- (2014) BB&T Equipment Finance Corporation and Wells Fargo Equipment Finance, Inc.
- (2013) TCF Equipment Finance, Inc. and SunPower Corporation
- (2012) AIG Commercial Asset Finance and LEAF Commercial Capital, Inc.
- (2011) First American Equipment Finance and ICON Capital Corporation
- (2010) Winthrop Resources Corporation
- (2009) Key Equipment Finance and PHH Arval
- (2008) Orion First Financial LLC and Trinity Industries Leasing Co.
- (2007) TCF Equipment Finance, California First National Bancorp and Xerox Capital Services
- (2006) Farm Credit Leasing
- (2005) Sytx Capital, Relational LLC
- (2004) Cisco Systems Capital Corporation
- (2003) AgStar Financial Services and National Leasing Group
- (2002) ABB Financial Services, IBM Global Financing, and Caterpillar Financial Services Corporation

Does your company belong on this list?

NOMINATION DEADLINE: MONDAY, JUNE 3, 2019

Winners of the O&TE Award will be recognized at the 2019 Operations and Technology Conference, scheduled September 16-18, 2019, at the Hilton Chicago in Chicago, IL.

For more details, please go to the O&TE Award website: www.elfaonline.org/About/Awards/OTE/



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