Customer Finance

A Strategic Advantage

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Executive Summary

Despite the fact that the experts proclaim the recession is over, many businesses are still struggling for survival, let alone profitability. While corporate profits are at an all time high and big corporations are hoarding cash, small businesses are generally cash-poor, with limited access to credit. As the economy continues to fluctuate, consumers are remaining on the sideline, reluctant to part with their hard-earned dollars and nervous about the future. This causes revenues to fluctuate unpredictably, adding even more instability to the mix.

Businesses of all sizes have come to realize that in order to succeed in the new economic reality, they need to be able to do more with less. This means restructuring internal processes and workflows by automating and streamlining wherever possible. The reengineering process is primarily accomplished by investing in new equipment and technology and then integrating it into existing business operations.

The net effect of the movement to streamline and automate is a rebounding market for equipment and technology. Even in the face of global economic uncertainty, businesses of all sizes - large and small - will continue to acquire new capital assets at an increasing pace. But they will need help to do so—in the form of creative financing programs that can be tailored to fit their business needs and cash flow capabilities.

For the equipment or software vendor seeking to grow and thrive in the new economy, the demand for creative financing to help small businesses acquire the equipment and technology they need to survive presents either an opportunity or a threat, depending on how the vendor approaches the challenge. Vendors who are able to offer creative and flexible customer leasing and financing solutions to their customers will be able to build market share quickly. Conversely, vendors and dealers who do not offer creative leasing and financing options to their customers will lose business and market share to those who do.

The opportunity created by the gap in small business financing is tremendous. Because these businesses are chronically short of cash, the outright purchase of technology and equipment is next to impossible. On top of that, those businesses that are fortunate enough to have access to lines of credit must be exceptionally judicious in how the line is used. They need to preserve precious credit lines for working capital needs and emergency situations. Investing in capital equipment by using an already tight credit line is rarely a smart business decision.

The vendor who can offer a flexible lease or financing solution helps their customers to overcome these challenges. Apart from helping customers to acquire the state-of-the-art technology and equipment that they so desperately need, an in-house financing solution provides several major benefits to the vendor as well.

- Revenue is accelerated because customers can afford to buy all of the equipment and related services they need without having to sacrifice precious cash or credit to do so.
- The customer relationship is strengthened and expanded when customers feel a growing loyalty to a vendor who can offer them financing solutions that other vendors cannot - or will not - offer.
- The aftermarket can be controlled by offering bundled service, support and supply packages with the basic financing or lease package.

Despite these benefits, many vendors choose not to offer a customer lease or financing package for many reasons. The most obvious is that a comprehensive, end-to-end customer financing solution can easily become a completely separate line of business. This can dilute a vendor's focus away from core business competencies.

Beyond that, a customer financing and leasing solution is resource intensive and requires significant expertise to deploy effectively. In addition to the challenges inherent in setting the program up and launching it, there are also significant hurdles going forward. Managing a customer finance program requires knowledge of the capital markets as well as a strong internal capability to measure, manage and mitigate risk.

For that reason, many vendors seeking to implement a comprehensive customer financing and leasing solution turn to a co-sourcing partner to help them overcome the challenges. With the right co-sourcing partner in place, there are several different ways to configure an in-house leasing and financing program.

Program Or Platform Development

The equipment financing partner uses their experience, resources, and systems to design and build a solution from the ground up, allowing the vendor to customize a customer financing model that supports their unique corporate objectives.

Funding Support

Individual Transaction Funding

In today's market, some vendors elect to control the origination of their customer financing transactions. However, many may not have the ability to effectively underwrite the risk or the desire to hold the leases on their balance sheet. A strong equipment finance partner will support the vendor's originations platform and provide the right combination of underwriting, funding, and servicing to support the vendor's individual transaction needs.

Portfolio Funding

For vendors who have an existing equipment lease and finance capability and maintain their own portfolio, selling some or all of their equipment finance assets to the co-sourcing partner can be either a one-time sale or a long-term, ongoing business strategy. Many vendors will consider this option in an effort to reduce exposure, minimize risk, or free up capital, or gain sale treatment on the equipment.

The other major element of an in-house customer financing or lease program is the implementation of the support function. Vendors should be able to custom-tailor their support offering based on the strategic goals of their business as well as their operational business model. Some vendors choose to private label their support offering, making it look like a completely in-house operation.

Other options include co-branding the support program with the co-sourcing partner, or using the partner's strong brand to lend credibility to the new program. Whatever the approach, the co-sourcing partner should be able to change and modify the support program over time, based on the operating needs of the vendor.

Since most equipment vendors simply do not have the necessary resources to launch an in-house customer lease and financing program, ultimately, the key to success for such a program is the quality of the co-sourcing partner selected. The partner certainly should come to the table with a well-known and respected reputation. Beyond that, another prerequisite is tremendous industry experience and the advanced expertise necessary to develop and maintain a comprehensive, end-to-end financing solution.

Arguably the most important trait of the co-sourcing partner is flexibility. A customer financing and lease program is never a one size fits all solution. The co-source vendor must be able to tailor systems and processes to meet the specific needs of the vendor and the vendor's customers and to keep pace as those needs change and evolve over time.

The bottom line is clear. For a vendor to thrive in today's volatile economic climate, offering an in-house customer lease and financing is essential. Since most vendors will simply not be able to do this alone, the first step is finding the perfect co-sourcing partner.

Part One The Customer Finance Landscape

As the economy continues to creep along on its slow road to recovery, most economists agree that the Great Recession that started it all ended in 2009. Many consumers and small businesses would tend to disagree with that assessment, for many reasons. Despite the fact that corporate profits are skyrocketing, a majority of small businesses are mired in place, with little or no improvement from where they were when the economic debacle supposedly ended. Consumer confidence is at an all-time low, after seeing the precipitous erosion of their collective wealth.

There are many things contributing to the ongoing sense of economic uncertainty holding back a full and robust recovery. Retirement savings have been gutted on the heels of Wall Street's meltdown and the collapse of the real estate market. Unemployment remains high and prices at the pump and the grocery store continue to climb unabated. It is little wonder why consumer confidence - in both the economic recovery and the federal government's ability to resolve the issues - remains low.

The reluctance of consumers to part with their hard-earned cash creates uncertainty for businesses as well, from the largest corporations to the smallest sole proprietorship. By retooling internal processes and investing in both technology and new equipment, big companies have learned to do more with less, which has a mixed effect overall. Big businesses have generally become more profitable by reengineering their systems while simultaneously reducing payrolls and headcount. The new business models have the dual effect of driving profits and unemployment rates at the same time.

The efforts of these large corporations to remain profitable in turbulent economic times have created a curious outcome - an unprecedented abundance of cash, estimated collectively to be well in excess of $1 trillion. Companies accrued this stockpile of cash by drastically cutting payroll and expenses and by moving large components of their business operations overseas. However, despite their bulging balance sheet, most of these corporations appear reluctant to put their cash reserves to work - preferring instead to adopt a wait-and-see position from the sidelines.

Small businesses, on the other hand, are in a much different position. Recovery from the economic cataclysm has been painstakingly slow and arduous. Hit harder than anyone else during the recession, small businesses today are trying desperately to regain a foothold on profitability and are struggling in the process. This does not bode well for the recovery in general because small businesses are clearly the backbone of the economy and generally spearhead a rebound.

Small businesses today face different challenges than the large corporations. These businesses are strapped because cash reserves have been depleted and access to credit is difficult. Sales continue to fluctuate as nervous customers balk at spending which creates uneven - and unpredictable - demand. Like their bigger counterparts, small businesses are consumed by fear of the future and are reluctant to make major capital investments or to significantly add headcount. They are also being forced to do more with less but have a major problem with that scenario - how to pay for it.

Herein lays a tremendous opportunity. Small businesses need to implement the same kind of process reengineering that the bigger companies have used to streamline operations and drive profitability. And like the big corporations, they need new equipment and updated technology to do it. Since not many small businesses have been able to stockpile cash, they must either use already highly leveraged credit lines, or seek new sources of financing for new equipment and technology purchases. The need for this kind of financing is already huge and the market is expanding.

The reality in the marketplace is that at least 50% of all equipment purchased by small businesses today is financed. And regardless of how they have fared during the recession, most of these small businesses realize that their key to survival and future success lies with restructuring processes through automation as well as upgrading their technology platforms. In other words, small businesses realize that equipment and technology platforms are essential to business continuity and growth, and will continue to acquire these tools any possible way that they can. For most small businesses, that means finding new and creative means of financing that do not require huge outlays of cash up front or reductions to existing lines of credit. They need another source of funding.

The question then becomes, who provides that funding? Equipment vendors must realize that in consideration of the current economic reality, it is no longer sufficient to simply sell equipment. Despite the high demand for new equipment by small businesses in virtually every industry, only those vendors who can offer a turnkey procurement solution will benefit from it. The vendors who can meet the needs of their small business customer by helping them to acquire the equipment they desperately need will thrive in the coming years. Conversely, the vendors who remain on the financing sidelines and choose to simply sell equipment - or try to, at least - risk a total erosion of their customer base.

The new reality is that customer loyalty only goes so far. Even long term business relationships will fall prey to the new reality. Customers will gravitate to vendors who cannot only sell them the equipment they need, but who can help them buy it - through creative financing - as well. Vendors who cannot offer financing assistance, or who choose not to, will lose market share - in the form of both new customers as well as long established customer relationships - to those who do.

Part Two Benefits of Offering an Equipment Leasing and Finance Solution

The best way to control customer relationships is to offer a turnkey customer financing solution. If it seems like a simple solution - it is - but that does not necessarily mean that it's easy to implement. In today's dynamic and rapidly changing business climate, a traditional equipment financing solution is simply not good enough.

A well-executed financing process can transform the acquisition and procurement of commodity equipment and technology devices into a powerful strategic advantage that helps customers gain a significant edge in hyper-competitive industry marketplaces. The vendor who offers this kind of strategic financing advantages to its customers also gains an edge because the service becomes a powerful value-add that provides customers with significant incentives to buy.

This is arguably the single most important reason for a vendor to provide equipment financing to its customers. If an internal equipment financing capability can help close sales, the result is accelerated revenue and improved customer relationships. Today, simply offering equipment for sale is no longer enough. The vendor must make it easy for a customer to purchase the equipment or technology package they need. In fact, the financing program should be so robust and compelling that the customer simply cannot afford to buy elsewhere.

The improved customer loyalty comes from the fact that the customer, if offered the right equipment solution at a monthly rate that is well within their budget, simply has no reason to shop elsewhere. This kind of customer loyalty is further enhanced if the financing can be structured to include ancillary costs such as supplies and maintenance. With a state-of-the-art equipment financing program in place and the infrastructure to make it as smooth and efficient as possible, the customer bond becomes even stronger.

This is in direct contrast to the days when equipment financing was strictly intended to benefit the lender and the term "customer service" was rarely used in conjunction with the financing process. Customers who needed to finance equipment because they did not have the purchasing power to buy it outright came to view equipment financing as a necessary evil. Because of this mindset, just as with the equipment itself, the entire equipment financing process became a commodity. Customers would shop vendors and financing options to find the best deal - there was little loyalty one way or the other. Needless to say, the old model no longer applies.

Another major benefit that results from offering equipment financing is control of the aftermarket. As small businesses seek to shave every possible penny in costs, they frequently turn to the aftermarket to find better deals on equipment and supplies. Unfortunately, when price becomes the sole issue, quality and performance often suffer in the long run. The best way to control the aftermarket is to make it unnecessary to go there. If a financing program bundles everything necessary for the cost effective deployment and ongoing operation of new equipment or technology, the customer has no need to shop elsewhere. A flexible, adaptable, turnkey financing program solves the aftermarket problem before it even becomes a problem.

Part Three Customer Financing Challenges

There are, of course, many hurdles that must be overcome in order to implement a comprehensive equipment financing program. The old adage "if it was easy everyone would do it" clearly applies here. The reality is that equipment financing is essentially a line of business onto itself. For most vendors, particularly smaller ones, setting up an internal financing arm is not a realistic goal because equipment financing is not a core competency. When faced with this fact, most vendors either abandon the idea completely, or only implement it partially. In either case, the results are inevitably unsatisfactory, and customer satisfaction - and loyalty - suffer accordingly.

Particularly at a time when the vendors themselves being squeezed by the economy, adding an effective equipment financing capability becomes almost cost prohibitive. Equipment financing is highly resource intensive to begin with, and on top of that, most vendors do not really have the internal resources that they need anyway. A turnkey equipment financing program requires finance specialists, accounting personnel, sales people and customer service representatives, and that is the bare minimum. Add to that the computerized accounting, billing and reporting systems and it is easy to see why many vendors simply pass on the idea to implement an internal financing operation.

There is also the matter of expertise. The technical issues surrounding managing the risk vs. reward equation in terms of equipment residual values can become quite complex. This complexity increases exponentially when many different kinds of equipment or technology platforms are supported in many different industries. Most vendors simply do not have that kind of expertise in house.

On top of all this, deploying an in-house equipment financing program locally in a tightly defined market is challenging enough. When it scales across multiple markets in widely distributed geographies, the complexities once again increase exponentially. Even if the organization attempts to build out internal capabilities to meet these challenges, they often soon realize - sometimes too late - that they have stretched themselves too thin and that the radical departure from their core competency and their core business is actually costing them money in the long run.

Finally, when it comes down to it, profitable equipment leasing is really about managing risk. Every organization has its own established risk threshold and risk tolerance levels. So where one organization sees a viable and potentially profitable deal, another sees the same opportunity as too risky and then walks away from it. Generally speaking, organizations that specialize in equipment leasing can parse the facts and determine true levels of risk more effectively than organizations that finance equipment as a sideline. This results in turning away good transactions simply because the risk analysis did not meet internal standards.

Part Four In House Versus Co-sourcing

Based on the benefits to be realized and the challenges to be overcome, when a vendor finally decides that it is necessary to offer equipment financing in one form or another, the question of whether to do it in house or to use a co-sourcing solution is critical. With exception to a few very rare situations, it is really not a question at all, or at least it should not be.

It all boils down to focus. Unless an organization is so large and well capitalized that it can afford to launch an entirely new line of business - or to build out and improve an existing one - setting up an in-house equipment financing operation is not a good strategy. Not only does it dilute an organizations focus by working outside of core competencies, it is simply not necessary to suffer through the process. Co-sourcing is much less expensive, much more efficient, much easier to implement - and much more profitable.

The customer finance solution provided by the equipment finance partner can be scalable according to the vendor's needs. It can be a robust offering or limited to include only certain services as necessary - the choice is up to the vendor.

Part Five Co-sourcing Options

It should be clear by now that offering a flexible, end-to-end equipment leasing and financing program is arguably the best way to accomplish three important goals for a vendor operating in today's crowded, hyper-competitive marketplace. This kind of program will accelerate revenue by enabling a vendor to close more deals, it will build and strengthen customer relationships across the board, and it will help the vendor to control the aftermarket. It should also be abundantly clear that for most - if not all - vendor organizations, the best way to implement an equipment financing and leasing program is by co-sourcing it with a reliable and dependable partner.

Clearly, there are many factors to consider in making this decision. Potential partners must be carefully vetted to ensure that they meet the highest possible standards. Reputation, industry experience, capital structure, management team expertise, and operational geographical footprint are among the many things that must be considered when seeking a finance partner. Arguably, the most important factor for consideration is flexibility. Because there are so many variables in structuring an equipment finance or lease package, the systems, processes and procedures used to structure the deal must also be flexible and easily adapted to the specific situation at hand.
This means that the lessor must also be exceptionally flexible and agile, capable of configuring a deal to the different - and important - needs of each different customer. For this reason, if an organization wants to be able to offer this kind of dynamic flexibility in structuring its equipment lease and financing offerings and plans on using a co-sourcing partner to do it, the partner must also offer a high degree of flexibility in how it structures the relationship. The co-sourcing partner must be able to provide services in different ways in order to ensure that the equipment lease or financing package can seamlessly integrate with the way the vendor - and ultimately the end user - do business. In today's marketplace, it is no longer acceptable to require businesses to adapt their existing processes to the needs and requirements of the equipment leasing or financing company. Total process flexibility is the key.

This enables the vendor to maintain its existing business model and to expand on it, instead of trying to move the organization in a completely different direction. The first step in doing this is to assess the additional opportunities that a comprehensive equipment leasing and financing program can bring to an organization. From there, a comprehensive plan is needed to define how the program will be structured and rolled out. An organization must then define how the co-sourcing model will be structured. And finally, the co-sourcing partner must stand ready to assist with the implementation of the plan.

In terms of structuring an equipment leasing and financing program, there are three basic structures that a vendor can adopt.

The first option is ***Program or Platform Development***, which entails building and deploying a custom equipment leasing and financing program from the ground up.

A second option is ***Individual Transaction Funding***, where the co-sourcing partner will support the vendor's originations platform and provide the right combination of underwriting, funding, and services to support the vendor's individual transaction needs.

The third option is ***Portfolio Funding***, which is for vendors who have an existing lease and finance capability and maintain their own portfolio. Selling some or all of their equipment fiance assets to the co-sourcing partner can be either a one-time sale or a long term, ongoing business strategy.

Each of these options will be covered in more detail in the following sections. In each case, however, the co-sourcing partner must be able to bring value to the table, beyond the obvious ability to implement the program. In the equipment financing and leasing marketplace, there is no such thing as one size fits all. The vendor and co-sourcing partner must be able to creatively work together to create a solution that is molded and fitted to the business flow and process of the vendor, not the other way around.

Regardless of the option selected, there are some basic elements of the equipment leasing and financing implementation that are common to all. Effective leasing is essentially about the speed with which credit decisions can be made. Funding must happen quickly as well - as soon as possible after the credit decision is finalized. And once again, product flexibility is critically important. With out these elements in place, it does not matter how the program is structured or which options are chosen - the program will ultimately either fail, or worse, alienate customers because it was unsuccessful in delivering what they needed. Regardless of the leasing channel chosen, the program must incorporate the vendor's product strategy and address the identified target market. The existing selling process must also be integrated into the new system as well as the customer financing model. Just as importantly, the equipment leasing and financing program must be scalable, growing and evolving as the vendor's business grows and evolves.

There are also other considerations to address. Because the equipment and technology needs of small businesses are so diverse, a comprehensive finance and lease program should be able to support a wide range of transactions, from several thousand dollars upwards of several hundred thousand. Multiple and flexible payment plans must be available that can be customized to meet the unique cash flow requirements of the customers. A well executed leading and finance program should also benefit the vendor's branding and marketing activities.

Below is a sample menu of services that may be offered by an equipment financing partner. Vendors may take advantage of all or some of these services depending on how robust of an offering they need.

Product Offerings	Sales Resources	Technology	Marketing	Underwriting	Operations	Portfolio Management
Full suite of equipment and software payment products to select from Private label/co-branded programs Asset specific tailored solutions Service and usage-based solutions	Program specific staffing design – field and/or inside sales Ability to scale quickly to meet demand Single-point-of-contact sales support Knowledge and expertise to finance various collateral Lease training resources	Originations web portal Mobile origination portal End user servicing portal Customized payment calculator Customer management systems Access to portfolio data for customer and asset management	In-house and outsourcing capabilities Ability to respond quickly to meet diverse needs Effective campaign management & tracking Ability to co-brand collaterals Customized campaigns to meet marketing strategies	Customizable, automated credit scoring engine Industry specific underwriters Comprehensive analytical tools Scalable to support transaction flow Credit Enhancement Products	Generate and review documentation Purchase Orders Pricing Booking and funding process Record retention	Customizable invoicing Invoice messaging Cash application Accounting and treasury function Customer Service Collection and work-out strategies Asset remarketing and disposition

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Once again, there are several ways that all of this can be bundled into one, comprehensive, functional program. Let's look at each option in a little more detail.

Part Six Program (Platform) Development

The biggest risk in deploying an internal equipment leasing and financing capability is that many organizations simply do not have the proper resources and expertise to build and manage a non-core business. By working with a co-sourcing partner who has these capabilities, experience and systems in-place to design and build a leasing and financing program from the ground up, a business-based equipment financing model can be deployed that provides tremendous value to customers while at the same time supporting the vendor's unique corporate objectives. Developing an equipment leasing and financing program specifically to integrate with an existing business structure and business model add significant strategic capabilities to a vendor's business offerings.

Part Seven Single Transaction Syndication

In certain circumstances and for some vendors with an existing equipment leasing and financing capability, it makes sense to process single transactions as they are received. Although not all financing companies will support single transactions because they only work with portfolio acquisitions, apartner who can effectively handle single transactions can dramatically increase the reach and extend the capabilities of a vendor's in-house leasing and financing function. Single transaction syndication requires that the co-sourcing partner is able to provide an automated backroom solution that matches and integrates with an existing approach to leasing and financing. This also enables the rapid integration of the co-sourcing partner - and the related capabilities that the partner brings - into an existing internal program.

Part Eight Portfolio Sales

For vendors that have an existing equipment leasing and financing capability, selling their equipment finance portfolios can be either a one-time sale or a long-term, ongoing business strategy. Once again, the capabilities of the co-sourced partner will have a major impact on how portfolio sales are handled. The partner should be able to allow for a wide variety of transactional structures and the flexibility to meet even the most stringent and demanding servicing requirements. The primary objective is to be able to facilitate immediate and long-term portfolio management goals with minimal lead time. The partner should be capable of servicing the portfolio from that point or design the relationship so the vendor can continue to service it.

Part Nine The Final Step: A Support Plan

Once a co-sourcing solution has been designed and implemented, a vendor also needs to develop a support plan that seamlessly integrates with the leasing and financing program. The co-sourcing partner should possess the capabilities to not only create such a plan, but to deploy and maintain it over time as well. The plan must enable the vendor to manage the support program in a way that maximizes earning potential and best integrates with the existing business model. There are several different approaches that a vendor can use when designing the support plan, depending on how the business wishes to deliver support services and how to brand them.

For example, if the vendor wishes to offer completely self-branded support services, a co-sourcing partner who can offer private label support services is required. In this mode, bills are issued and collections received using the vendors name and brand. From the customers' perspective, the vendor provides support services, even if the co-sourcing partner is actually administering the process.

Vendors who seek to promote a partnership approach need a co-sourcing partner who can offer a co-branded support program. The primary consideration for this approach is to find a co-sourcing partner that has a superior reputation in the leasing and financing industry. This adds credibility - and significant value - to the support offering and validates the decision to business with the vendor based on its relationship with a recognized and respected company who will be providing support.

Using the power of the co-sourcing partner's brand to promote the vendor's in-house program can further enhance the value of aligning with a respected industry leader. In this support configuration, the vendor's internal leasing and financing program benefits from the recognized strength and capabilities of the co-sourcing partner who already enjoys significant recognition throughout the industry as a key play and capable support provider.

In the fourth scenario, the tasks of billing and collection are completely outsourced to the co-sourcing partner. In this model the partner services all of the vendor accounts, which significantly reduces resources demands and operating expenses.

However a vendor chooses to structure its support program, flexibility is a crucial consideration. As business requirements and objectives change over time, it is important that the support program can change and evolve as well. The co-sourcing partner that the vendor chooses must be able to keep pace with the vendor's constantly changing and evolving business and to adapt and adjust accordingly. This requires the co-sourcing partner is completely dialed into the vendor's long-term strategy. In fact, a capable co-sourcing partner should be able to add considerable value to the strategic planning process and should be involved in planning all aspects of the internal leasing and financing program.

The final piece of the support program is the reporting that the co-sourcing partner provides to the vendor. Information must be provided to consistently assess measure and enhance the leasing and financing program in order to maximize effectiveness. The co-sourcing partner should provide a reporting package that delivers data encompassing all of the critical performance metrics essential to monitoring the impact of the internal leasing and financing program. It is also important that the co-sourcing partner can offer the capability to customize a variety of management information that meets the vendor's specific tracking needs. Quarterly review sessions conducted with the co-sourcing partner should also occur to ensure that the program is on track and achieving the program goals and objectives.

Conclusion

It should be clear by now that offering a leasing and financing program is one of the best possible methods for a vendor to accelerate revenue, build and strengthen customer relationships and to control the aftermarket. It should also be clear that the most cost-effective and expeditious way to do this is to find a capable co-sourcing partner that can not only help to configure and implement an internal leasing and financing program, but that adds significant value to it.

It is important to note that the process of implementing a leasing and financing program does not have to become a long and drawn out process. A good co-sourcing partner should be able to deploy a leasing and financing program in as little as three weeks, provided that the partner has a methodology in place that enables them to design and deliver the program efficiently. This can only be done by a co-sourcing partner with a disciplined planning approach, a dedicated implementation team and many years of experience. The bottom line is that the entire initiative should require only minimal demands on the vendor's time and resources.

It is also critical to focus on flexibility. A vendor should be able to custom select the components that best support the intended customer leasing and financing program. Whether the vendor seeks to build a complete customer financing solution from the ground up or is simply seeking a co-sourcing partner for transaction processing, flexibility is critical.

Finally, there are attributes that any competent co-sourcing partner should bring to the table. Look for a company that can offer multi-faceted online support, preferably through a dedicated web portal. The partner should be able to assign dedicated resources to every vendor account and should offer complete documentation for every transaction.

The basics are also important. An effective co-sourcing partner should have expert knowledge of many different kinds of collateral with a solid understanding of residual values and their worth at the end of a contract. The co-sourcing partner should be skilled at marketing and should be able to help the vendor to market and promote their customer finance program. Billing and collection services should be flexible and the entire customer financing program must also be adaptable to the vendor's long term business strategy. Finally, state-of-the-art data intelligence must be provided to report critical information, configured to the particular needs of the business on a timely basis.

The bottom line is this: In today's hyper-competitive marketplace, every vendor should offer a comprehensive customer leasing and financing solution. It is important to accelerate revenue, strengthen customer relationships, and to control the aftermarket. And by working with the right partner, it becomes a relatively simple thing to do.

About LEAF

LEAF Commercial Capital, Inc. ("LEAF") is an equipment leasing and finance company headquartered in Philadelphia, PA. LEAF's core competency is our ability to assist Dealers/Resellers and Manufacturers/Distributors maximize financing as a revenue generating strategy.

LEAF is a joint venture among Resource America, Inc., Resource Capital Corp., Eos Partners, and Guggenheim Securities, LLC. This organization was formed to build upon our market leading platform and provide our customers with a considerable force that will transform the way companies view the value of a leasing partner. The LEAF leadership team, which has been working together for over 25 years, has either designed or managed a significant portion of the Manufacturer/Distributor based financing programs in the marketplace. Industry experience can only go so far…it's applying that knowledge tactically to generate measurable and impactful results for our customers and partners. This unprecedented track record of success, combined with our fresh approach to designing financing programs, makes us uniquely qualified to help our customers generate incremental sales opportunities.

At LEAF, we believe there is a significant difference between merely being a funding source versus being a creative business partner. We are a progressive thinking organization that prides itself on its ability to look at each partner uniquely and then build the products and services required to fit our partner's businesses versus having them fit into ours. We know that leasing is about speed in credit decisioning, rapid funding to the equipment vendor and offering product flexibility. We provide solutions that give our customers an advantage in a highly competitive market, gaining them incremental customer relationships, enhanced customer satisfaction, and an increase in customer loyalty while capitalizing on a profitable opportunity at the same time.

Each of our offerings is fine tuned to incorporate our partners product strategy, target market, selling process, and customer financing model. Regardless of the financing delivery channel they deploy, LEAF can customize a growth plan to meet their business approach. Whether they need a solution built from the ground up or they require a comprehensive backroom support partner, LEAF can deliver on these distinct requirements. LEAF builds programs so it is will support our customers unique market focus and motivate their customers to grow their relationships with through a broad spectrum of co-sourcing service options.

For more information about LEAF visit us at www.LEAFnow.com