



EQUIPMENT LEASING & FINANCE

A Dynamic Career Path

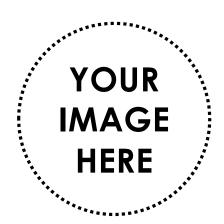
COMPANY

Experience (What I've enjoyed about this industry):

Academic & Career Path:

Primary Job Function:

Fun Fact About Me:



Name Your Title



INDUSTRY FACTS

• Most businesses need equipment to operate and grow.

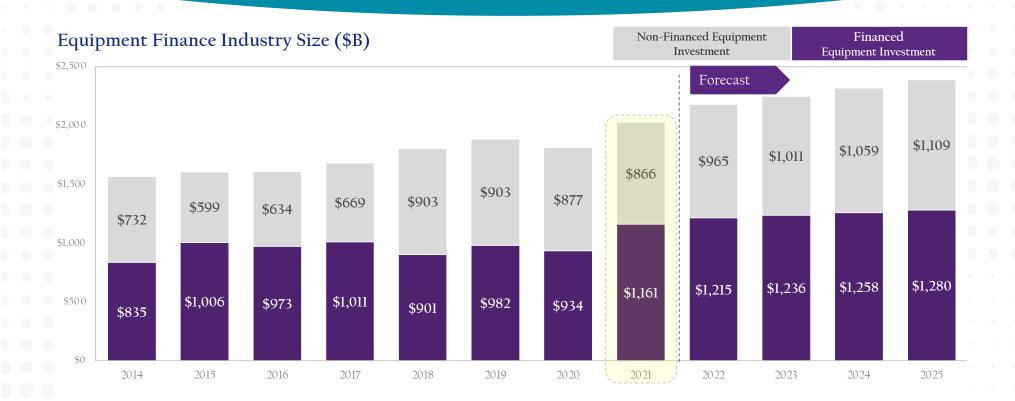


- An estimated \$1.8 trillion is invested yearly by U.S. businesses and is a key business acquisition strategy.
- Over 50%, or nearly \$1 trillion equipment purchased was financed through: Loans... Leases... Lines of credit.





The size of the U.S. equipment finance industry increased substantially in 2021, as about \$1.16 trillion in equipment and software acquisitions were financed — the highest on record.







EQUIPMENT FINANCING & THE BOTTOM LINE

 Used in conjunction with other debt instruments, financing equipment purchases helps to better manage a company's balance sheet.





TYPES OF FINANCE CONTRACTS

A **loan** is a finance agreement that allows a business to acquire and own equipment.

A **lease** allows a company to acquire and use equipment while conserving cash flow and lines of credit.





WHAT EQUIPMENT GETS FINANCED

- > Trucks and Transportation Equipment
- > Construction and Off-road Equipment
- ➤ Manufacturing and Mining Machinery
- > Medical Technology and Equipment
- > Commercial and Corporate Aircraft
- > Rail Cars
- > Ships and Shipping Containers
- > Agricultural Equipment
- > Business, Retail, and Office Equipment
- > IT Equipment and Software
- > Restaurant & Hospitality Equipment





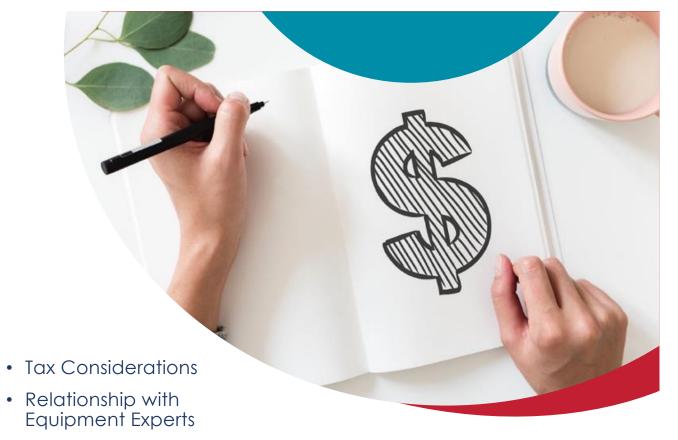
WHY FINANCE EQUIPMENT?



WHY FINANCE EQUIPMENT?

Why it's a smart idea to lease or finance equipment purchases:

- 100% Financing
- Conservation of Cash
- Additional Funding Channel
- Hedge Against Inflation
- Cash Flow Expense Planning & Business-cycle Flexibility
- Regular Technology Updates



- Obsolescence Management
- Product and Service Bundling
- Equipment Disposal



BENEFITS OF EQUIPMENT FINANCE

Cash Flow

- ➤ Conserve Cash for Acquisitions
- ➤ Match Payments to Seasonality
- ➤ Sale/Lease Back to Generate Cash
- Lowest Monthly Payment with Minimal Outlay



BENEFITS OF EQUIPMENT FINANCE

Balance Sheet

- > Alternative or Additional Source to Bank Financing
- > Comply with Key Ratios from Lenders
- Measured for Performance by ROA/ROE

Equipment

- > Transfer Ownership Risk to Lessor
- > Better Manage Obsolescence Risk
- > Reduce Cash Requirements During Life of Equipmen



3 MARKET SEGMENTS



MARKET SEGMENTS - SMALL-TICKET FINANCING

<u>Small-Ticket</u> is generally transactions **under \$250,000**.

• Equipment includes but is not limited to computers, copiers, restaurant equipment, software, transportation assets, construction and medical equipment.



MARKET SEGMENTS-MIDDLE-MARKET FINANCING

Middle-market transactions range between \$250,000 and \$5,000,000

 Type of Equipment in this segment includes construction equipment, larger medical equipment, trucks/trailers, manufacturing equipment, computers and software, solar equipment, and virtually any other equipment type in this dollar range.



MARKET SEGMENTS -BIG-TICKET/LARGE-TICKET FINANCING

<u>Big-Ticket/Large-Ticket</u> is financing that usually exceeds \$5,000,000.

 Equipment financed includes energy projects, railroad equipment, commercial and corporate jets, vessels, other transportation equipment, and large mining, oil and gas exploration.



WHO ARE THE PLAYERS?

Banks Captives Independents Brokers



Banks offer loan and lease finance products to provide customers with a full range of financial services. Examples:



- Bank of America Global Leasing
- BMO
- DLL
- PNC Equipment Finance
- First Citizens Bank
- Huntington Asset Finance
- Midland Equipment Finance

- U.S. Bank Equipment Finance
- Pacific Western Bank
- Truist Equipment Finance Corp.
- Fifth Third Bank
- Wintrust Asset Finance
- Wells Fargo Equipment Finance
- Western Equipment Finance



Captives are companies set up by a manufacturer or equipment dealer to finance the sale or lease of its own products to end-users. Examples include:



- Caterpillar Financial Services Corp.
- John Deere Financial
- Volvo Financial Services
- CNH Industrial Capital
- HP Inc.
- IBM Global Financing
- Cisco Systems Capital Corporation
- Xerox
- Dell Financial Services
- · Toyota Industries Commercial Finance, Inc.



An **Independent Leasing** company is not affiliated with any company...they may borrow lines of credit from lenders and/or self-fund transactions. Independent Leasing companies vary in products and services. They are typically generalists specialized by ticket size, equipment type, or other criteria. Examples:



- Madison Capital
- Amur Equipment Finance
- Great America Financial Services
- ENGS Commercial Finance Co.
- Insight Investments, LLC
- QuickFi by Innovation Finance USA LLC
- Crossroads Equipment Lease & Finance LLC
- Stonebriar Commercial Finance



Brokers establish a relationship with the potential client and assess their equipment financing needs to help determine the best product and structure to meet these needs.



- » The Broker then packages and presents the deal to the best funding partner.
- » Brokers earn fees for services from either the client or the funding partner.



EQUIPMENT FINANCE SERVICE PROVIDER



Capital Agent

Raises capital and funds leasing and lending companies.

Software Executive/Entrepreneur

Includes CRM, ERP, originations, pricing, credit analysis, and BI software companies, many founded to serve the lending and leasing industry.

Consultant

Consulting organizations have a presence in the secured lending and leasing finance industry.

Legal

Law firms specialize in laws and regulations around I

- Solifi
- Equifax
- LTi Technology Solutions
- Great American Insurance Group
- Moritt Hock & Hamroff LLP



CAREER PATHS IN EQUIPMENT FINANCE





Learn more: https://www.elfaonline.org/career-pathways

CAREER AREAS IN EQUIPMENT FINANCE

- Accounting
- Tax Accounting
- Finance
- Audit & Compliance
- Asset Management
- Contract Law
- Credit
- Office/Administrative Mgt.
- Credit Underwriting
- Risk Management
- Portfolio Management
- Capital Agent

- Dealer/ Finance Manager
- Sales & Sales Management
- Marketing/Advertising -Digital, Social Media, Print
- Event planning
- Technology/Software
- Economists
- Researchers Market Conditions
- Insurance
- Project Manager
- Operations

- Supply Chain
- Syndication
- Logistics
- Residual Value Specialists
- Collections
- Communication/PR/Journalist
- Relationship Manager
- International lending
- Merger and Acquisitions
- Consulting



CAREERS IN EQUIPMENT FINANCE – A Closer Look

Executive/Entrepreneur

Corporate leaders and entrepreneurs who set the vision and lead its execution for leasing/lending organizations in banks, manufacturers, or independent entities.

Asset Management

Deep knowledge of equipment assets and customer requirements. Brokerage capability to place equipment into secondary markets.

Relationship Manager

Sell lease and loan financing solutions to meet customer equipment financing needs. RMs coordinate the credit approval and documentation process to meet client expectations. Compensation is typically tied to results with commissions paid on funded volume.

Economics/Capital Markets

Provide value-added pricing and economic analysis support by keeping up on developments in the accounting, tax, and regulatory environment, as well as following market conditions.

Credit

Includes underwriters who understand the risk dynamics in the equipment leasing and finance industry. Credit employees conduct deal analysis yet wear a business hat. Typically have a macro view of the economy.



MEAN COMPENSATION FOR SMALL AND MEDIUM SIZE BUSINESS



Source: ELFA Small & Medium Enterprise Compensation Survey

POSITION MEAN COMPENSATION

CEO	\$492,191
Chief Financial Officer	\$377,258
Head of Sales	\$354,569
Sales Representative	\$137,402
Entry Level Sales	\$60,788
Head of Credit	\$189,826
Credit Analyst	\$80,306
Collections	\$134,024
Entry Level Lease Accountent	\$82,708
Operations	\$138,824
Asset Management	\$112,121
IT Manager	\$178,233
Director of Marketing	\$130,940



MEAN COMPENSATION FOR LARGE COMPANIES



POSITION AREA TOTAL MEAN
COMPENSATION

Head of Equipment Finance	\$881,700
Equipment Managment	\$432,400
Head of Sales	\$546,000
Sales Entry Level	\$86,800
Client Services Manger	\$170,400
Portfolio Managment	\$349,700
Portfolio Managment Entry	\$80,000
Vendor/ Captive Finance	\$247,000
Asset Management	\$665,000
Syndications	\$423,400
Relationship Manager	\$410,000







The Foundation Internship Resource Page provides a platform for students to search some of the top companies providing internship opportunities in the field of equipment finance.

https://www.leasefoundation.org/academic -programs/internship-resources-page

The ELFA's digital **Career Center** is a one-stop resource for finding positions in the equipment finance industry.

https://www.elfaonline.org/people-power/career-center



SCHOLARSHIP OPPORTUNITIES



SCHOLARSHIP PROGRAM

2024 CYCLE OPEN NOW!

Up to ten scholarships of \$5,000 each will be awarded to students focusing on business, economics, finance, or a related discipline. The deadline to apply is May 10, 2024.

Scan the QR code for more information.



ADDITIONAL RESOURCES



CERTIFIED LEASE & FINANCE PROFESSIONAL DESIGNATION

The Certified Lease & Finance Professional Foundation governs the testing, certification, and recertification of commercial equipment finance professionals with the CLFP designation.

Professionalism

Ethics

Recognition

Knowledge

Career Opportunities



Learn More: https://clfpfoundation.org











ABOUT THE FOUNDATION

The Equipment Leasing & Finance Foundation is a **501(c)3 nonprofit** organization established by ELFA in 1989.

- The Foundation propels the equipment finance sector—and its people—forward with its industry-specific knowledge, intelligence, and programs. Through podcasts, research studies, and Guest Lecture opportunities, we help people navigate the changes coming up to make better business and personal career decisions.
- The Foundation is supported 100% by charitable donations:
 - » Over \$800,000 raised in 2023 from corporate and individual contributions
 - » Donor benefits include early release of research and recognition during ELFA events

www.LeaseFoundation.org



THANK YOU!

Questions?

