



CASE STUDY: SUSQUEHANNA BANK

Susquehanna chooses LeaseTeam's ASPIRE to help support their business growth objectives.

Overview

Susquehanna Commercial Finance Inc. (“Susquehanna”) is a general lessor that provides leasing and financing solutions for Susquehanna Bank customers, original equipment manufacturers (OEMs), public agencies, vendors, brokers, franchisees and other business users. Susquehanna’s business objective is to maintain a quality portfolio of transactions, ranging from \$10,000 to \$3,000,000 with terms of up to 120 months.

Susquehanna provides leasing and financing solutions for a variety of capital-equipment, including, but not limited to, office, medical, industrial, automotive, computer, fabricating, packaging, machine tool, telecommunications and woodworking machinery, with a market-leading presence in franchise financing acquisition and development.

Susquehanna developed a strategic objective to grow their business by expanding their market share and scope. Their goal was to add national, middle market transactions to their current line of business, which was historically small ticket, niche markets.

Susquehanna also expanded its business model to include three channels: direct, vendor/referral and portfolio acquisitions. Susquehanna’s main focus was on direct originations, as their growth prior to 2011 was largely a result of portfolio acquisitions.

Susquehanna realized in order to accomplish these goals, they needed a lease/loan management system that would efficiently facilitate new processing requirements and had the ability to grow as their business evolved.

Since enhancing their presence in the middle ticket market segment, the company has enjoyed three consecutive years of double digit growth in its direct origination channel.

The Challenge

Susquehanna's growth had a ripple effect on their resources, most notably on their employee bandwidth. This, in turn, threatened Susquehanna's ability to provide the quality of service they were known for.

In addition to the increased activity, the regulatory environment intensified their due diligence process, which further impacted Susquehanna's service level standards. This was a big concern for Susquehanna, as they pride themselves on providing quick, convenient and hassle-free service.

Susquehanna was also looking for ways to mitigate their increased risk exposure. Susquehanna had a manual credit decisioning process, and with their resources being stretched, they were concerned they wouldn't have the sufficient capacity to adequately manage their business risks.

Jeff Nicholas, executive vice president and chief risk officer with Susquehanna Commercial Finance, also noted that the additional business generated a need for professional services. Mr. Nicholas explained, "With Susquehanna's limited available resources, it was essential they partner with a software provider that could assist with any system conversions or expanded services that may be needed in the future."

The Solution

Susquehanna began an aggressive due diligence project, evaluating lease/loan management systems while looking for a highly configurable system that would support their specific individual business needs. After evaluating different solutions and researching software providers, Susquehanna selected the ASPIRE product from LeaseTeam. Susquehanna felt ASPIRE would provide the consistency and efficiencies needed to grow their business.

Susquehanna used ASPIRE to configure rules-based workflows to automatically route transactions to the right person at the right time. These workflows allowed Susquehanna to more efficiently process their transactions and they provided visibility into their system, identifying any bottlenecks that occurred.

Susquehanna also used ASPIRE to define and control the data requirements throughout a transaction lifecycle. This eliminated duplicate entries, gave them better control of their data and identified any tasks/requirements that needed to be completed. This also provided Susquehanna with an audit trail, the ability to track and follow-up on outstanding contracts, and created accountability in the process, ensuring a timely turn-around.

Additionally, Susquehanna established credit policies within ASPIRE. Automatic prescreening and retrieval of credit reports expedited the review process and provided the analyst with what they needed in order to make sound credit decisions. By implementing rules-based credit policies, the analyst was able to immediately classify a deal and notify the interested parties.

Results and Benefits

According to Mr. Nicholas, “ASPIRE has proven to be very effective in meeting or exceeding our expectations. We were looking for a system that would help us more efficiently and effectively process our transactions and ASPIRE has delivered for us. In fact, I would estimate by using ASPIRE we have cut down our processing time by 33 percent.”

Mr. Nicholas also noted, “With ASPIRE, we have been able to handle our increase in volume without having to significantly add head count.”

“In fact,” he added, “they have seen a 10 percent increase in overall efficiency and a significant reduction in errors.”

Mr. Nicholas attributes their success with ASPIRE to:

- Being able to implement rules-based business processes around the origination of lease/loan transactions that promoted consistency and accuracy
- Adding operational vigor into their documentation process by creating audit trails and ensuring the defined requirements were met at each step of the process
- Implementing system-driven repeatable processes that allowed them to satisfy their bank-mandated risk management requirements
- Minimizing the “human factor” in their credit adjudication process, resulting in fewer mistakes and a greater focus on the company’s formal risk management process (this was a crucial piece to mitigating their risk)
- Improving turnaround times by automating their credit decisions; 32 percent of their deals are now fully automated and don’t require an analyst review
- Improving transparency into their processes, allowing them to identify and eliminate bottlenecks.
- Improving turnaround times allowing them to meet or exceed their service level metrics

Mr. Nicholas was also quick to point out that the service and support from LeaseTeam’s Product Implementation Specialist was exemplary. He noted that there were some additional requirements they needed from ASPIRE and that they were very pleased with how engaged LeaseTeam remained throughout the project.

According to Mr. Nicholas, “The results we’ve experienced and the service we’ve received have gone a long way in bolstering our confidence that ASPIRE is a system we can rely on to grow with our business, and that LeaseTeam is a provider that truly cares about our success.”