

Blog



TOPIC: EVOLVING TECHNOLOGIES

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LEASETEAM, INC.

4139 S. 143RD CIRCLE, OMAHA, NE 68137

Technology's Evolving Role in the Equipment Finance Industry

When you are asked about your company's technology needs, do you automatically begin thinking about what hardware and software is needed to get the job done? If that's all you think about, you could be making a costly mistake.

Historically, technology has been centered on efficiency—help me do my job better and faster. However, the demands placed on technology can also include developing new products, branching out into new markets, and being reactive to evolving market and customer demands.

Technology is what enables your business to be innovative, to accelerate and to gain a competitive advantage. So when you think in terms of your technology needs, you should also be thinking about how much, how fast and in what direction you want to grow your business. You also need to consider how you can improve your customers' experience and how you can make the best use of your data. The answers to these questions will help you define your technology strategy.

Technology Strategy

A common mistake company's make when developing a technology strategy is expecting their IT Managers to fully understand the strategic vision for the business. The technology group has to interpret the requirements that emerge as a result of the corporate/business level's strategic vision, so it is critical for these groups to work closely together.

The first step in developing a good technology strategy is to understand how your company creates value for your customers and the consistent challenges your organization faces. When evaluating this information, it is important to consider what is needed to generate top-line revenue, improve gross margins and improve the customer experience. If you intend to grow your business, it's important to invest in a scalable infrastructure. Taking this approach will prevent buying one-off, stop-gap solutions in favor of technology that comes with the flexibility and scalability your business needs to be successful. The next step is to develop a clear technology strategy that encompasses your business goals. Too often, companies jump from one system or application to another without fully realizing the benefits of their technology. Without a defined strategy, companies make poor buying decisions, adopt ineffective tools and often experience a high-level of frustration. The businesses that excel typically establish a technology strategy that helps them gain a competitive advantage through cost savings, process improvements, faster time to market, and improved quality and service levels.

Last but not least, the key to making technology work is taking the time to learn it. All too often, people rush into using tools and technology only to end up using a fraction of the optimum functionality. By investing the time to learn the technology available to you, you will create additional efficiencies in your operations, which in turn, will allow you to spend more time on your business.

Technology encompasses both a cost of doing business and an opportunity to do more, and there needs

to be a dynamic balance between efficiency and innovation. Innovation through technology is what creates new opportunities. So don't just ask what you can do with your technology, ask what your technology can do for you.

Using Technology as a Competitive Advantage

The Equipment Leasing and Finance industry has become extremely competitive due in part to commoditization, consolidation, excess liquidity and intensified regulatory scrutiny. Due to this increasingly competitive landscape, businesses are looking for ways to set themselves apart from their competitors. The best, and maybe the easiest answer, is through the use of technology.

If you are using your lease/loan management system as just a vehicle for processing your transactions, you are doing your business a big disservice. Companies need to be constantly thinking of ways they can use their system to execute at higher levels, and offer products and services that entice businesses to work with them. When reviewing your current system, the first thing to consider is your system's workflow. In today's world of immediacy, streamlining and automating your processes is more important than ever. By implementing automatic workflows, you can automate specific tasks and define the data that is required at each stage of your processes. Automated workflows add efficiencies, reduce errors, facilitate communication, and provide important tracking and analytics. Implementing automated workflows into your system is the foundation for providing top-tier service to your clients.

Using Technology to Improve Your Customers' Experience

The Equipment Finance Industry has evolved and so have its customers. Today's customers are digital, they are mobile and they have more influence than ever before. This has transformed business from the "Age of Information" to a new era: the "Age of the Customer." Today's customers are empowered by technology, transparency and an abundance of information. They expect to be able to engage with vendors when and how they want, via physical, digital and mobile means. They also expect a consistent experience across all of these channels. Empowered and informed by the web, and deeply connected through social media, they evaluate and compare the quality of their experiences with those of others. They can champion your business or tarnish your reputation with just the click of a mouse.

As a result of this market shift, more and more customers report being disappointed with the level of service they are receiving from their vendors. This growing dissatisfaction is not necessarily a result of poor service – it's more a reflection on companies not changing at the same pace of their customers' expectations. Price and acceptable contract terms are still very important, but it's not the only thing driving the decision process when selecting an equipment finance company. This has led more equipment finance companies to focus on Customer Experience Management (CEM). CEM is a relatively new term, with a number of different interpretations in the marketplace. Simply put, CEM is a business strategy that focuses and redefines your business processes with the customer's view point in mind. Making CEM a priority is important because at each customer touch point, your customer learns something that will either strengthen or weaken your relationship, as well as their desire to return, spend more and recommend your business.

In order to thrive in this new Age of the Customer, you must have a solid understanding for what the

motivations and expectations of your customers are. You need to position yourself to predict, not merely react, to your customers' needs and preferences. Because customers today are more technically savvy, they expect vendors to invest financially, intellectually and emotionally in understanding and consistently meeting their evolving expectations. Customers expect their vendors to anticipate their needs and streamline their processes, providing an experience that is relevant to their business and a process flow that fits their individual requirements. They expect accessibility and multi-channel communications. They also expect transparency into their data, enhanced reporting, and seamless integration with business partners, suppliers and vendors.

As equipment finance companies look to align their business with these new requirements, they are also discovering there isn't a "one size fits all" approach. Customers may have the same requirements, but how they define success in meeting those requirements can vary from customer to customer. This adds another level of complexity. In order to address these growing needs and improve their customer engagement, equipment finance companies are looking to leverage the technology of their lease/loan management systems.

Equipment finance companies are turning to their lease/loan management systems to streamline and automate their processes. By using your system to configure automatic workflows, you can automate specific tasks and define the data that is required at each stage of the processes. The ability to automate and track workflows gives you visibility into any bottle necks that may occur and streamlines the decision process by ensuring you have accurate data when you need it. Process automation also creates efficiencies that translate into a faster turn-around time for customers.

Another important component to improving your customer experience is providing your clients with the specific data they need, when they need it and in the format they need it in. You can achieve this by configuring your lease/loan management system to provide your clients with key data points from a transaction lifecycle, including data from the origination, credit adjudication, funding, servicing, termination and asset management processes. Providing your clients with these key data points and a 360 degree view of their deal empowers them to perform at their highest levels, which in turn leads to customer satisfaction and loyalty.

Another important component to elevating your customer experience is providing your customers with the tools and functionality that will make doing business easier. Some examples of these are electronic signature capabilities, configurable dashboards that can be customized according to each client's requirements, seamless integration with all stake holders and support for mobile devices—allowing your clients to do business from anywhere at any time. Customers also expect to be able to conduct business over the web, so equipment finance companies are starting to provide their customers with a partner portal that is easily accessible to run reports, prepare quotes, submit applications and check on the status of transactions—24 hours a days, seven days a week. Providing customers with these tools facilitates communication, and provides efficiencies and functionality which, ultimately, increase customer satisfaction and deliver a consistent customer experience across delivery channels.

In today's competitive marketplace, customers have more options than ever before. The businesses that

are responsive to their customers, anticipate their customers' needs and tailor their business processes to best serve their clients gain a clear competitive advantage. In a recent Forrester survey, 80 percent of the customers surveyed who had switched vendors reported being "satisfied" with their vendor's service. With all the options currently available to customers, satisfied isn't enough. That's why it's critical for businesses to look to their lease/loan management systems to do more. Being competitive in the Age of the Customer relies heavily on your ability to deliver technology solutions that improve the customer experience. It's the best way to set your business apart from competitors and position yourself for future success.

Using Technology to Improve Your Customers' Experience

Innovative technology will allow businesses to stop talking about front- and back-end processes and begin talking about a total transaction engagement lifecycle. Equipment finance transactions are no longer linear; and therefore companies will need a system that provides an all-encompassing view of their business, along with the efficiencies of single system processing.