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## NEW & IMPROVED

Innovating the Customer Experience

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ANNUAL CONVENTION PREVIEW

ELFA  
EQUIPMENT LEASING AND FINANCE ASSOCIATION



If you're not continually  
reinventing customer service,  
you might already be  
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# New

# &

# Improved

## Innovating the Customer Experience

BY SUSAN L. HODGES

**IF YOU COULD LOOK TO A SINGLE SOURCE** to monitor new technologies, determine which are most relevant to your business and then provide opportunities to learn about them and discuss application, you'd be ecstatic, wouldn't you?

We'll start grinning, because ELFA's new Technology Innovation Work Group is designed to do just that. Members have already put together a one-day forum for senior executives of ELFA companies, and more opportunities to engage are in the works.

### Expanding the View

Deb Reuben, President of Reuben Creative, LLC, and Chair of the Work Group, talks about the group's mission: "Often leaders are so committed to the day-to-day running of their companies that they have little time to think about what's happening outside their walls. We're creating a window for them to look outside and acquire information that helps them make better decisions. By monitoring technology trends inside and outside the equipment finance industry, we're creating opportunities for leaders to come together, learn from each other and contemplate what these trends mean for our companies and for our future."

Tawnya Stone, Vice President of Strategic Technology at GreatAmerica Financial Services and a member of the Work Group, embraces the concept because she thinks the industry's perception of the customer experience is



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**Deb Reuben, Chair, ELFA Technology Innovation Work Group**

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outdated. "Many of us still believe business buyers are not as demanding as consumer buyers," she says. "But research shows that the opposite is true, that B2B customers actually have higher expectations than B2C customers."

Moreover, says Stone, when customers were asked if they would switch companies to obtain a better service experience, most said yes. "People in our industry don't realize this," she says. "A lot of us think B2B customers are more sensitive to price than service,

but research conducted by Salesforce shows that 74% of business buyers would pay more for a great experience. So it's not about cost, it's about providing value."

### Retail's Influence

Candace Reinhart, Senior Vice President, Operations & Syndications, at CoreTech Leasing, Inc., says the overall consumer experience has changed so much in the last five years that it's not surprising greater expectations are spilling over to the business arena. "What

## New Tech Resources

- **TECHNOLOGY INNOVATION LEADERSHIP SERIES:** ELFA has launched a series of one-day events for senior ELFA members to go deep in conversation with industry peers in specific technology innovation challenges. The first event was held in August and focused on the customer experience. Watch for upcoming events at [www.elfaonline.org/events](http://www.elfaonline.org/events).

- **GOING DIGITAL:** This study, coming soon from the Equipment Leasing & Finance Foundation, will examine the current state and future trends of digital banking in the equipment finance industry. Learn more at [www.LeaseFoundation.org](http://www.LeaseFoundation.org).



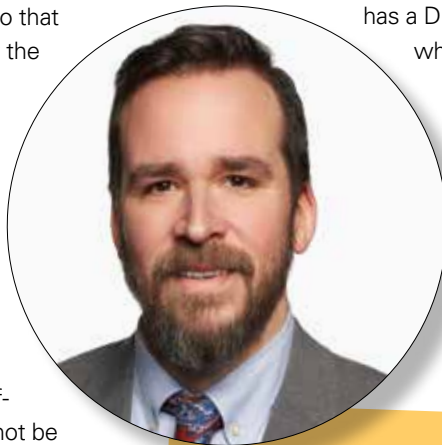
we're seeing now at CoreTech Leasing is customers wanting to treat each asset individually," she says as an example. "Historically, a lease is all or nothing—you either lease the equipment and turn it all in, or purchase all of it—and there are good reasons for this: you don't want customers to cherry-pick. But you can now buy an entire wardrobe of clothing from Amazon take seven days to examine it, and then send any or all of it back. So why wouldn't I want to do that with the laptops I buy for my firm or the trucks I buy for my fleet?"

Reinhart believes equipment finance leaders no longer have the luxury of continuing to do something a certain way because they always have. "Companies successful in becoming digitally aware have taken those words out of their vocabularies," she says. "They now ask what they can do differently. The thing in question may not be broken; it's just no longer effective. We have to be nimble—willing to change and ready to accept the new."

## Farewell to the Familiar

TCF Capital Solutions began doing exactly that two years ago. "We had a set of monolithic platforms that limited our ability to configure around them and required us to engage vendors for any new development," says Matt Dorison, Senior Vice President, Technology. With little control over the software, end product or delivery times, the company couldn't quickly respond to changing customer expectations. "And knowing what we did about evolving expectations, we thought our ability to interact with customers would become a differentiator," he says. "Assuming disruption is coming to us, we need to build out capabilities that are more flexible and reusable—a departure from monolithic platforms and vendor-provided solutions."

To innovate, the company brought in Java engineers and switched to an Agile approach to build new platforms, create new capabilities and automate more functionality and monitoring. "We also looked at other teams in the bank doing open-source development and leveraged the same technology they were using," Dorison says, adding, "We knew we had to change our world."



TCF Capital Solutions will continue to work on these initiatives as long as they deliver value. "But now we're doing our own development and can change much faster to meet customer expectations, whatever they may be," Dorison says. And every employee is accountable—not just IT. But since each function and area can have a different idea of what constitutes

a customer, internal or external, the company now has a Director of Customer Experience who's responsible for the overall customer experience, and a Product Manager responsible for the digital customer experience.

As long as one-on-one relationships with customers are important, the company will also continue providing a team of experts in the field, including sales representatives

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**Matt Dorison, TCF Capital Solutions**

and regional vice presidents. "But if in the future people can be anywhere at all and create the lease they need, our world will change again," says Dorison. "And companies that think their customer experience is just fine may be unable to compete."

## Weighing Relevance

Perhaps. But Charles Anderson, CEO of the transaction platform Currency and a member of ELFA's Technology Innovation Work Group, says customer experience innovation is not for everyone. "Banks almost don't have the luxury to think about it because regulators require them to be compliant, and customer experience and compliance rarely mesh," he says. Consequently, Anderson believes every equipment finance company must determine whether innovating the customer experience is relevant to its situation and goals.

Besides, the profitability-as-first-priority principle is ingrained in many leaders and tough to override. "In the





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**Tawnya Stone, GreatAmerica Financial Services**

'80s and '90s, business schools taught that the objective was to maximize profit in every transaction. I think that's how most companies still operate," says Anderson. After all, he posits, "If something is working and generating profit, would you be willing to optimize for customer experience at the cost of your job? Until your answer is yes, you're not going to do it—and why would you? It's a huge risk, and leaders at some organizations will tell you they're not even empowered to think about this."

But where there's a will there's very often a way, with technology serving as the front or back door. "We can't escape technology today; it's how we get things done," says Reuben. "But innovating the customer experience is not about going out and buying software as much as it is about preparing your organization for a radically different way of operating. We need to understand our customers now—what are they trying to get done, what does that mean to us, and how might we as a company change our processes and digital capabilities so we can meet those needs and solve customer problems in a better way? This is all about helping customers achieve their goals."

Stone agrees and says the first steps to innovating "CX," or Customer Experience, are like those in addiction-recovery programs: becoming aware and

admitting you have a problem. "Awareness of the customer experience should be baked into everything we do," she says. "Every group in the company should know its customer, the customer's needs and their expectations. Then they have to talk with the customer to find ways to meet those needs as well as their own, because good partnerships are mutually beneficial."

An example: GreatAmerica Financial Services collects payments for its customers, who are vendors, dealers and manufacturers, and then posts the payments back into customers' accounting systems. "It's easy for us to do and saves customers from having to send out their own invoices," says Stone. "We've been doing it for several years now and our customers love it."

### **"It Happened to Us"**

Stories like the one from Stone excite members of the Technology Innovation Work Group and exemplify the sharing that goes on at Group gatherings. "Agile thinking and processes are moving companies toward more communication," says Reinhart. "We're talking more to the customer and learning more about what they want, what they need or the pain they feel. Then we're taking that dialogue and putting it into internal action. In addition, we're moving the dialogue to the industry level through



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**Charles Anderson, Currency**

ELFA's new Work Group. The timing of this technology innovation initiative couldn't be better."

Not only do customer and company stories illustrate what's possible in CX; Anderson says they can also shed light on the evolutionary shift occurring in business models used by cutting-edge companies. "A new school of thought says that if you optimize for the customer experience rather than for profit per transaction, you'll end up generating more profit overall at a critical scale, but probably less per transaction," he explains.

Leaders at Currency adopted this thinking two years ago to maximize and optimize for the customer experience. "We knowingly wanted to make less revenue per transaction with the goal of optimizing the customer experience and reaching critical mass," Anderson says. "We defined success as building a business essential for our market, our customers and our partners. Working backward from that goal, we identified our core purpose as unlocking opportunity for our customers, partners and employees. Doing this would result in building a critical operation that could do business at a scale that would unlock greater opportunity for all parties."

Translation: If customers weren't willing to take advantage of the opportunity and pay enough for Currency's services, it would mean the company hadn't done a good job of creating value. Viewing the situation this way forced company leaders to ask if they'd done enough to motivate Currency's 200 employees to continually maximize the customer experience. The answer was painful. "First, I took a deep breath," says Anderson. "Then I had lots of conversations, and there was quite a bit of turnover. A lot of people wanted to maximize profit per transaction."

Anderson reframed the conversation, talked to employees again and gave them time to think about the new model and ask questions. He then established incentives, along with authority and responsibility, for each employee to create value for the customer.

Today, 100% of Currency's business is recurring and integrated revenue. Turnover is near zero, customer ratings are stellar and revenues are up 47% year over year. "It's great," says Anderson. "I know it's a scary way to approach the market, because you don't know what will happen. But I believe doing business this way is more fulfilling and rewarding, and more profitable for everyone involved."

He admits the process will never be finished. "Customer expectations are always rising, so you must

constantly stay out in front of what your customers desire and expect," he says. Do customers really know what they want? Anderson doesn't think so. "If you're hungry, you might desire not to be hungry, but you might want a hamburger instead of a salad," he says. "We must always work backward from what they desire to what they actually need."

Anderson and others innovating the customer experience say there's no single correct way to do it. "This is a realm where no one knows everything," says Reuben. "But being together creates opportunities for sharing ideas and best practices, and there's an increased desire to do that. There's a growing desire for a more interactive way of learning and getting your head around these topics, and that's what we're working to provide."

True, not every company can opt for innovation. As Anderson says, "It's a luxury, and sometimes you can't have it." But to equipment finance companies able to innovate the customer experience but not yet motivated to do so, Reinhart says this: "If you think your customer experience is fine the way it is, you're going to get passed by. Ask yourself if 'just fine' is good enough for you, personally. Do you pick a restaurant that's rated 'Fine' on Yelp? If you're like me when looking to engage a service, you pick one that's extraordinary. Organizations that are extraordinary empower every employee at every level to engage with the customer and feel comfortable and confident that they can make the customer experience even better. That's what we're talking about. That's what we're trying to do." ☰

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Don't miss the session **"Mindset Shift: Looking at Technology & Innovation Through a New Lens,"** sponsored by the ELFA Technology Innovation Workgroup at the 2019 ELFA Annual Convention. Learn more at [www.elfaonline.org/events/2019/AC/](http://www.elfaonline.org/events/2019/AC/).

