The Foundation is the only research organization dedicated solely to the equipment finance industry.

The Foundation accomplishes its mission through development of future-focused studies and reports identifying critical issues that could impact the industry.

The Foundation research is independent, predictive and peer-reviewed by industry experts. The Foundation is funded solely through contributions. Contributions to the Foundation are tax deductible.
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About the Industry Future Council Report

The Industry Future Council ("IFC") conducted its annual meeting in January. The IFC brings together industry leaders with wide-ranging experience and points of view to discuss the future possibilities for equipment finance. The IFC is unique due to both its participants (senior leaders from different organizations throughout the commercial equipment finance industry) and its long-term time perspective (the group considers what may happen to the industry up to ten years into the future). The two day session is facilitated by a leading strategist or futurist from outside the equipment finance industry. This report captures the results of the group’s best thinking and it also offers readers new strategies and mental frameworks for thinking about the industry and its future.
Executive Summary

This year’s Industry Future Council hosted by the Equipment Leasing & Finance Foundation was a rich discussion that examined the industry’s greatest concerns, most powerful hopes, deeply held beliefs about the world in which it operates, and the possibilities if all constraints were removed. IFC members were guided using a methodology of “strategic foresight,” which, as opposed to strategic planning, enables users to mine the external environments for trends and leverage those insights to create maps of the emerging landscape. These well-informed maps of the future empower users to test current strategy, develop breakthrough innovations and create transformative change.

The key themes emerging from the 2016 IFC discussion include:

- the impact of increasing government regulation;
- talent recruitment and retention;
- a desire for more disruptive innovation; and
- potential new types of customer relationships and business models enabled by technology.

The concern over the lack of disruptive innovation became more prevalent during discussions of the value shifts driving many of the industry’s current trends. As a result, participants worked to identify systemic causes by exploring the reasons for this issue, and uncovered the values and worldviews held by the industry that formed the existing systems. Then the team surfaced the unspoken myths and metaphors—those deeply held beliefs about how the world works—in order to have a complete picture of the challenges the industry faces.

In the portion of the meeting during which the participants envisioned ideals for the future, attendees worked from the perspective of “Direct” and “Vendor” business models. The “Direct” model team identified its ideal as being an industry of fluid, dynamic, flexible and reliable financial solutions for sustainable long-term value. The Vendor model team’s ideals were to be a global industry of choice and an uninhibited, unrestrained solutions provider to the global economy. Both teams were able to identify common recommendations for actions to achieve these objectives:

1. identify likeminded partners to form symbiotic relationships for exploiting new technologies;
2. expand globally to tap new markets and sources of talent; and
3. focus on culture and organizational design issues, so innovative ideas aren’t blocked.

Leading an organization in the 21st century requires new approaches and mindsets. The 2016 IFC moved beyond a one-dimensional dialogue about trends and instead used new thought processes to engage in a rich debate to identify and capitalize on the emerging narratives. The results are the discovery of new possibilities for the future of the industry and some specific action steps that each of us can take to not only prepare for the future, but also advance it.
Introduction

This year marked the 36th annual meeting of the Industry Future Council, a gathering of specially selected leaders from the equipment leasing and finance industry. Held January 28-29 in Bonita Springs, Florida, the IFC meeting was comprised of 19 attendees representing each sector of the industry, as well as a cross-section of market specialties and ticket sizes.

The Foundation selected facilitators who use a methodology called Strategic Foresight. Commonly used in business planning and development efforts, strategic foresight differs from strategic planning. The latter relies largely on excel-based models to extrapolate historical performance into a linear future plan. Beyond its inability to accurately forecast the future, the danger of this traditional approach is its proclamation of an “official future.” As a result, it effectively blinds leaders to all threats and opportunities outside a narrow worldview. In the current rapidly changing business environment, we want to hold on to our vision and mission, but avoid clinging to the strategies of the past.

Strategic foresight offers a way to look outside of our industry; broaden our view of external issues; and develop robust, flexible and creative visions for the direction of the equipment leasing and finance sector. IFC participants utilized a four-phased approach.

1. Discover: They began by discovering their individual and collective biases in order to address potential blind spots.

2. Explore: Participants explored the value shifts and trends that are disrupting traditional business models, assessing their impact to the equipment leasing and finance industry.

3. Map: Session attendees divided into groups determined by market specialties to map potential pathways to aspirational futures for their sector of the industry.

4. Create: Participants used these newly developed maps to create specific short-term and long-term action plans.
Industry Assumptions About the Future

To facilitate this discussion, IFC participants answered a series of questions designed to uncover their perspectives. Overall, the discussion revealed that the group was guarded. They shared apprehension over serious global security issues as well as anxiety over the continued relevance of the equipment leasing and finance industry.

1. **If you could pose three questions to a clairvoyant, what would you ask?** Participants shared their concerns about both global security threats (“Will nuclear weapons be used again?”) as well as those closer to home (“Will the U.S. experience more terror attacks?”). From an industry perspective, most questions centered on the future customer. (“What will influence future consumer behavior?” and “What will be the impact of new technology and new business models on commercial lending?”)

2. **In the best possible world, what would you hope for?** Concerns over personal and global safety were echoed in these responses as well. Participants also shared the desire for efficient markets that eliminated unemployment and elevated developing nations to “first world” status.

3. **In the worst possible world, what are your greatest fears?** Echoing earlier dialogue, armed conflict and rogue nuclear warfare were voiced as a common fear across IFC participants. However, other themes also began to emerge. For example, apprehension about technological advancements causing the “total loss of human interaction” or “our industry becoming a dinosaur” were also shared among several participants.

4. **What pivotal events from the past few years have provided you the best lessons for the future?** When assessing the past for lessons about the future, global macro events again took center stage with individuals sharing “global warming,” “September 11th,” and the changing landscape of “world super powers and non-state actors.” In addition, the importance of recent technological advancements—specifically emerging new business models based on changing customer preferences—and the resulting birth of the “sharing economy” were also top of mind.

5. **What major decisions with long-term implications do you face at the moment?** When considering the issues that were “keeping them up at night,” responses reflected resource investment decisions such as “investing in young emerging talent,” placing bets on the “right advancing technology” and decisions pertaining to global expansion (“What new markets should we invest in?”).

6. **What major constraints are you experiencing inside and outside of your organization, system or life?** Most participants agreed that “governmental regulation” is the largest major constraint. Other barriers included the lack of “open mindedness” and a “fear of change.”

7. **If all constraints were removed, and you could direct what is done, what would you do?** At this stage of the gathering, it was clear that imagining a world without constraints was a challenge for the group. However, commentary among participants did point to the aspirational themes that ultimately emerged as the session continued. Specifically, one participant shared that they would “change the approach on how equipment is leased,” though they did not have details on how the fundamental dynamics of the industry could be reframed. Other aspirations included “invest a lot more in our team-members” and achieve a “total customer focus.”
Value Shifts Shaping the Future

Due to the fact that future disruptors, competitors and opportunities may well originate from outside our industry, external scanning and trend analysis in the macro environment—including the social, technological, economic, environmental and political domains—is necessary. In the initial Explore phase, the discussion began with the external environment and worked its way back to industry and organizational issues, providing the tools to identify the weak signals on the horizon and make sense of their impact.

Rather than focusing solely on trends, our horizon scanning included the value shifts which underlie today’s emerging issues. By understanding the “why” behind the trends, we are better equipped to forecast future impacts and countertrends.

The discussion was facilitated around four major category shifts shaping the future:

**Mechanical to Organic**

“Our corporate environment extinguishes all new ideas coming in from the millennials.”

Session Participant

In the past, many organizations and industries operated like machines: mechanistic, industrial assembly lines focused solely on efficiency with little regard for their impact on stakeholders. Shifting from a mechanical to an organic model changes the way that we tackle innovation because it steers our vision toward solving grand challenges and meeting human needs rather than simply making more products for the machine to consume.

Among the examples IFC members found pertaining to this shift for the equipment finance sector are:

- The recent threat of unique business models in the industry, noting that adapting to these changes is difficult because the “mechanical,” assembly-line oriented and hierarchical business model that they have been operating under locks them into their current setup. New lending options such as Onbank and Kabbage have an inherent flexibility that the incumbents lack, making the start-ups more agile in the emerging organic environment.

- A need for existing industry participants to encourage innovation among their employees with the accompanying realization that they do not have a system in place to foster any “outside of the box” thinking or “calculated risk taking.” Stifling regulations, the fear of losses and the feeling that employees are not “allowed to think about other things” makes internal innovation difficult. Even responding to the needs of the employees as individuals in this “organic” world can be a challenging process. Attendees mentioned that in the past, employees were compensated for good work with pay raises or small rewards, but “employees aren’t motivated by that anymore.” When speaking specifically about the millennial generation entering the workforce, one attendee noted that “there has to be some other power or purpose to motivate them.” Another participant said “They need a voice, empowerment; they want the creativity aspect.” They even told the other participants to invite millennials into the decision-making process to encourage engagement among the younger generation. After asking what employees will do in this organic world if they are not allowed to innovate, all of the attendees replied that those employees will “just go do it” elsewhere.
Closed to Open

“How do we empower our employees — especially those who are closest to our customers and closest to our competitors — to innovate and take some calculated risks?”

Session Participant

Today, when most people hear the term “open,” they automatically think about open source software or computing systems. However, the shift from “closed to open” extends far beyond technology and disrupts traditional models within business, policy and social development. The shift toward “openness” is apparent in systems as large as country-wide revolutions, as well as at the local level where cities are growing and distributing food or creating currency around ethics and passions. These open source networks are unleashing creativity, solving big world problems, uncovering new ideas and opportunities, and bringing communities together in unique ways. While organizations continue in vain to protect their intellectual property and traditional business models, their “closed” environments are stifling creativity and limiting their ability to attract the best talent.

Among the examples IFC members found pertaining to this shift for the equipment finance sector is:

• Whether the value of intellectual property will be worth more or less in an open environment. Participants discussed a recent event in which Tesla Motors publicly released all of the patents for the company’s innovative battery design. One attendee noted that by making the intellectual property available to the public, CEO Elon Musk “completely devalued the whole idea of theft or the notion that someone will steal [the design].” Another likened the process to legalizing marijuana and changing the definition of the “war on crime.” Regardless of the analogy, the equipment finance industry will be impacted by this shift to a more open environment.

Silos to Meshing

“It’s a tragedy that someone in the company has to leave for change to happen.”

Session Participant

Our global landscape requires a convergence of groups and ideas. This “meshing” leads to the collision of ideas, tools and practices that once only existed in isolation, resulting in innovative solutions to some of the world’s biggest problems.

IFC members found several examples pertaining to this shift for the equipment finance sector.

• Executives who withheld silo-disrupting ideas until after they retired.

• A shared feeling that some innovations are delayed due to a single person in a siloed environment not allowing change to happen.

• Concerns that there is little incentive for a person in a position of power to “mesh” with others in their organization, particularly when their individual silo is performing well.
Given discussions of organizational dysfunction in many equipment finance organizations, most participants viewed this potential shift as something that will benefit the industry. One attendee mentioned that their company already rotates new people through every part of the organization to allow them to develop passions across different lines of business. Another spoke excitedly about allowing a pilot project in which millennial employees work outside of the existing silos in an environment that is isolated from the main business and “no one can tell them no.” This gives them the freedom to develop bold new ideas in a safe environment. Other attendees talked about building flatter, team-based organizations to replace hierarchical organizational models, which were adopted long ago in a different business environment. Some contemplated a “virtual organization” where companies would not need talent on-site but would be able to work with people with different skill sets from around the world in order to solve problems.

**Scarcity to Abundance**

*“The next wave of CFOs will not purchase equipment. They will purchase an app.”*

Session Participant

The emerging shift from scarcity to abundance is a transition from a mindset of the “immediate” and “obvious” to one of untapped and wide-open entrepreneurial, innovative and collaborative discovery. Skyrocketing technological innovation and new organizational and social models have the potential to begin dismantling the arguments that point to a future filled with scarcity.

Among the examples IFC members found pertaining to this shift for the equipment finance sector are:

- Smarter and better utilization of equipment. One participant gave the example that smart driving cars would require fewer road lanes, which would in turn mean less road construction. Subsequently, construction companies would then need less equipment.

- An expected resurgence in capital by equipment finance companies which never came after the financial crisis. While these companies see the lack of capital as a scarcity, customers would view the situation as one of abundance because they have access to the products for longer periods of time.
Navigating to the Future

Envisioning the Future
Having explored the emerging trends and underlying value shifts, the participants were ready to begin charting a course to the future. They began charting a course forward by writing both transformative and disruptive news headlines from the year 2026 that provided a glimpse into potential futures for the industry. These headlines helped the participants to think more provocatively about the future; reinforced the need to build alternative narratives when exploring the landscape of the future; and stretched them beyond their current biases and assumptions that serve as blinders to emerging threats, opportunities and disruptions.

Investigating the Current State of the Industry

“Is it just me, or have we not mentioned the customer once?”
Session Participant

In order to gain a better understanding of the potential scenarios for the future of equipment leasing and finance, participants began by understanding the current state of the industry using a tool called “causal Layer Analysis” (CLA). CLA helps to delve beneath the surface of an issue, uncover deeper causes and strategically re-position the view of an existing problem. The CLA tool is analogous to an iceberg, in which only the “tip of the iceberg” is visible above the water with the majority of it beneath the surface. Likewise, for most individuals and organizations, only the obvious aspect of an issue is visible while all of the factors that have led to the issue are hiding beneath the surface.

The following definitions are used in the CLA tool:

• Litany or Facts – The problem or issue; it includes the observable data or indisputable truths about the issue.

• Systems – Where the structures, processes, operations, leaders and players that have contributed to the issue are identified. Common examples include organizational structures, compensation models, leadership programs and communication tools such as social media.

• Values – The level that underscores the worldviews and culture within an organization that are shaping the systems and structures that are in place.

• Myths and Metaphors – These are the stories and deep mental images that come to mind when thinking about the organization or industry. In this context, it is the oldest definition of the word “myth,” which is “a traditional story, especially one concerning the early history of a people or explaining some natural or social phenomenon.”
Current Litany

Reflecting upon the combined dialogue up to this point, participants chose to explore the following issue:

“The Equipment Leasing and Finance Industry is constrained against disruptive innovation.”

Systems

After questioning what systems, structures and actors are helping to create the issue which ultimately rose to the surface, 33 systemic causes within the equipment leasing and finance industry were identified, including:

- regulation was the first and most commonly cited system;
- risk aversion relating to new ideas, due to tight industry profit margins and cost controls;
- talent and retention problems, with challenges in attracting and retaining the best and brightest technology savvy young workers mentioned by at least one IFC member; and
- concerns about the U.S. economy and unresolved issues relating to the financial crisis being mentioned by the group.

Values

Realizing that systems do not develop on their own, attendees were asked to think about what was valued within their companies and industry that created the systems they identified. Overall, the participants identified an overarching worldview that indicated that the industry as a whole values stability and risk aversion, but that it can be resilient, creative and flexible when necessary.

Myths and Metaphors

The participants considered several myths and metaphors, that indicate that the equipment finance industry as a whole is aging. These included “old boys club,” “the industry is like golf, we need youth in it,” and “wisdom of the elders.” Others brought up phrases that spoke more to the strategies used within the industry, like “efficiency is king,” “you’re only as good as your last deal,” “hell or high water” and “we’ve always done it that way.” Some questioned the often cited suggestion that, “the equipment finance industry has always been innovative in the past.” Finally, attendees highlighted sayings that pointed to the relationship with their customers such as “we’re there for the customers in good times and bad,” questioning if that was ever really true, especially during the financial crisis.

Although they are buried beneath the values and systems, all of these deeply held stories impact the culture within the industry. In turn, they impact the industry’s ability to innovate. After the participants had completely de-constructed this critical issue facing the industry, it was time to work back up the CLA tool and find creative pathways to an aspirational future.
Envisioning Preferred Futures for the Industry

Having drilled down the CLA tool to identify and understand the current systems, worldviews and metaphors, the participants were then able to use that information to go back up the tool to create alternative and aspirational visions for the industry’s future. Starting at the bottom of the new “iceberg,” the participants first asked two questions:

“What new myths and metaphors could help to reframe the issue for a transformative outcome?”

“What myths and metaphors that were previously identified from the current environment could be adapted or reframed to create a new vision?”

Having worked collectively to uncover the root causes of the present state, the participants decided to divide into two groups, “Direct” and “Vendor” models, in order to reframe the industry issue from multiple perspectives and create action plans that better reflected the different players in the room.

Given the opportunity to start with the foundational images and unspoken truths rather than being constrained by the ever present issues of the day, IFC participants’ mindsets completely shifted. No longer restrained by frustration over factors that were beyond their control, they were free to imagine completely new possibilities and refocus on what matters most: the customer.

Vendor and Direct Team Findings

The Direct team shared customer-centric concepts such as “know your customers” and “the customer is always right,” while the Vendor team envisioned a “usage-based customer” and “new consumption architecture.” The talent landscape also featured prominently in both teams, with the Direct team creating a recruitment slogan that read, “New job with every deal!” The Vendor group expressed the talent aspect through “rent-a-talent” and “The entire world is my talent.” Both teams also reframed the overall purpose of the industry, with the Direct team saying, “help companies and communities grow, be a part of something that matters,” and the Vendor team offering “the Silicon Valley of finance.” Consumer behavior was also top of mind in the Vendor team’s slogan “behavior is king.”

Moving further up the tool the teams next envisioned the values and worldviews that would manifest as a result of the new myths and metaphors they identified. Although a few of the “old” values remained (security, collaboration, creativity), the vast majority were nascent concepts that came from the reframed metaphors. For the Direct team, values included agility, globalization, inclusion, diversity, open-mindedness, ubiquity and digital values. On the Vendor team the values included innovation, openness, adaptability, prudent risk-taking, purpose, qualitativeness and engagement.

The teams next envisioned the systems that could manifest as a result of the new worldviews and values:

Direct Team System – flat, hybrid-based organizational models and companies without walls that are inclusive of a passion-based reward system.

Vendor Team Systems – “flexi-work” models with instantaneous feedback for a skills-based talent pool.
Both groups saw the importance of behavioral-based analytics and integrated systems. In addition, borderless, global talent markets were also a common structure across the two teams.

The groups then created new litanies, strategies and futures for the industry:

- **Direct Team** – “We provide fluid, dynamic, flexible and reliable financial solutions that bring sustainable, long-term value to all stakeholders, customers, suppliers and employees.”

- **Vendor Team** – “global industry of choice,” “provider to the global economy” and “exponential rapid innovation industry.”

### Designing our Aspirational Future

Finally, IFC participants used tools to design, test and execute their strategies. To that end, the concluding exercise was to “backcast” from the year 2026, and identify the new opportunities, threats, allies and competitors that the industry should begin identifying immediately.

Backcasting begins with the “end in mind,” an approach that is free from present-day limitations and enables users to work backwards to identify critical action steps needed to make their aspirational futures a reality. While still in the Vendor and Direct groups, the teams began with their new litanies in mind. Imagining that these litanies became a reality in the year 2026, the teams first identified the opportunities, threats, allies and competitors that would exist in that future. Having established those milestones, the groups then brainstormed the actions that organizations within the industry should begin taking today.

Common present-day themes among both the Direct and Vendor teams included the opportunity to cultivate and recruit young talent and the development of end-user solution apps. In terms of allies, both groups identified data providers. The groups also cited global regulation as a threat and included data aggregators such as Google and Amazon as potential competitors. The complete results are included in the following tables:
# Direct Team Findings

<table>
<thead>
<tr>
<th>DIRECT</th>
<th>2026</th>
<th>Now</th>
</tr>
</thead>
</table>
| **Opportunities** | • Embrace millennial buying mindset  
• IT service contracts  
• Self-driving vehicles  
• Investment in power grid  
• Non-banks take bank rejects  
• Alternative energy  
• Highly-leveraged credit  
• Incremental capital  
• HR strategies to hire/retain young talent/empower them to succeed  
• Team collaborative environment  
• Build culture and purpose in flat organization | • Schedule meetings with banks to get rejects  
• Evaluate new assets to finance  
• Design apps that will roll out the end-user solutions  
• Cultivate and recruit young talent, start building new culture and flat environment to empower young people  
• Empower small groups to experiment |
| **Allies** | • Data providers  
• End-users  
• Flexible, open IT partners  
• Funders to capital providers  
• New investors | • Research  
• IT partners, data providers  
• Banks  
• On-going relationships in building strategic partnerships |
| **Threats** | • Regulations  
• Capital markets  
• Banks (loan vs. lease)  
• New & convenient preferred distribution models  
• Customer preference for quick and easy choices | • Diverse funding sources  
• Regulations  
• Uninformed investors  
• Need to handle non-bank credits |
| **Competitors** | • End-user servers (Amazon etc.)  
• Independent financing companies | • Marketplace  
• View competitors as strategic partners |
## Vendor Team Findings

<table>
<thead>
<tr>
<th>VENDOR</th>
<th>2026</th>
<th>Now</th>
</tr>
</thead>
</table>
| Opportunities| • Expand outside US  
• On-demand global human capital  
• Product for on-demand usage-based needs  
• Enable solution acquisition  
• Access to bottom line  
• Credit for broader range of customers | • Mine current behavior data  
• Beta-test new models  
• Usage-based, on-demand apps  
• Millennial buyers  
• Look outside US  
• Find “free agents” to help with development  
• Job-oriented contracting in a “solution marketplace” |
| Allies       | • Vendors  
• Partners in other countries & global translators  
• Tech companies  
• Apps that can process across multiple data points  
• Data synthesizers  
• Human capital | • Like-minded partners  
• Blockchain technology and users  
• Utility & usage-based apps  
• Data synthesizers  
• Job-letting sites  
• Current customers asking for on-demand service  
• Equipment vendors needing international solutions |
| Threats      | • Regulations (US & Worldwide)  
• Crowdfunding  
• Adaptability of processing platforms  
• Currency exchange rates  
• Data aggregators  
• Equipment obsolescence | • All eggs in one basket  
• Geopolitical issues  
• Equipment obsolescence  
• Internal blockades  
• Speed to markets  
• Sharing economy |
| Competitors  | • Captives  
• Data aggregators (Google, Microsoft, Amazon etc.)  
• Providers in sharing economy | • Captives  
• Banks in other countries  
• Alternative lenders  
• Rental companies |
Conclusion

For the last several years, the Industry Future Council has adapted its annual gathering to meet the increasingly challenging business environment. Rather than focusing solely on current challenges, the Equipment Leasing & Finance Foundation has focused on the long-term future of the industry.

By employing a rigorous Strategic Foresight model during its two-day meeting, the 2016 IFC demonstrated the power of “futures thinking” to gain perspective, to challenge conventional thinking and to develop a compelling vision of the opportunity that lies ahead. The change in the mindsets of the participants across the two days was significant. A group whose dialogue on day one centered on the frustrations of today’s regulatory environment and the industry’s inability to be disruptive was transformed on day two when they optimistically identified opportunities in adjacent industries and created aspirational narratives that were both customer and talent-centric. Issues expressed as concerns on day one such as “the impact of technology on relationships” became sources of innovation (i.e., “How are relationships reframed with the benefit of new technology?”). Further, it was interesting to note that despite much discussion to the contrary, the various sectors of the industry represented at the Council ultimately shared many common perspectives on the future, including both strategic opportunities and allies.

When we approach innovation from the today’s perspective, we tend to automatically and subconsciously filter new information through a limited lens. Approaching change from the lens of alternative futures frees us to think far beyond our present-day obstacles and constraints, granting us the vision of the untapped opportunities that we can gain rather than the known commodities that we can lose. It’s in this way that new pathways to aspirational futures are created.
Our industry is constrained against disruptive innovation

**FACTS**

**SYSTEMS**
- Reputation Risk
- Hierarchical
- Low Margins
- Risks & Rewards
- Asset Management Expertise
- End Consumer’s Needs
- Legacy Systems
- Infrastructure
- Lack of investment in talent
- Competition Choices
- US Economy
- How things have been run in the past
- Customer Demands
- Messaging to new talent
- Capital Dependent
- Relying on manufacturer’s feedback
- Product Innovation
- Segmentation of Industry
- Relying on manufacturer’s feedback
- Risk Averse
- Accounting Changes
- Messaging to new talent
- Commoditization
- Regulation
- FinTech
- Funding models
- Behavioral Underwriting
- Internally Focused
- Failure Averse
- Collaboration
- Rejection
- Strategy
- Segmentation of Industry

**VALUES**
- Wisdom
- Flexibility
- Predictability
- Discipline
- Incremental
- Closed to mistakes and failures
- Resourceful
- Creative
- Loyalty
- Efficiency
- High Ethics
- Longevity
- Respect
- Security
- Sustainability
- Conservatism
- Cost Control
- Opportunistic
- Adaptable
- Impatience
- Continuous Improvement
- Adaptability

**MYTHS & METAPHORS**
- “Don’t hate the player, hate the game”
- “We’re entrepreneurial”
- “Hell or high water”
- “This industry is like golf, we need youth in it”
- “Fixed pie”
- “Experience is success”
- “We’re a Sales Industry, not a Banking Industry”
- “The systems can’t support it”
- “Old Boys Club”
- “Companies always need assets”
- “Industry attacked by antibodies”
- “This industry is unique”
- “Efficiency is king”
- “Equipping business for success”
- “You’re only as good as your last deal”
- “Wisdom of the Elders”
- “We’ve always done it that way”
- “We’re innovators”
- “Like Hotel California, once you get in, you never leave”
- “We’re there for the customers in good times and bad”
We provide fluid, dynamic, flexible, and reliable financial solutions that bring sustainable, long-term value to all stakeholders (customers, suppliers and employees).

**FACTS**

**SYSTEMS**
- Flat, team-based organization design
- No walls
- Reward system = what employee values (i.e. travel not with customer, fun thing)
- Meet minimal compliance/regulatory standards
- “Job Shop” vs. Assembly Line
- Rapid, real-time feedback
- Integrated system, configurable “users” can change fast
- Hybrid teams (mix & match findings)

**VALUES**
- Innovation
- Openness
- Autonomy
- Empowerment
- Diversity
- Responsibility
- Understanding risks
- Invulnerability
- Culture
- Collegial
- Tolerance mistakes
- Reputation
- Courage
- Engagement
- Ownership
- Prudent risk-taking
- Qualitative
- Purpose
- Collaboration
- Knowledgeable
- Curiosity
- Adaptable
- Transparent

**MYTHS & METAPHORS**
- “Know your customers”
- “The customer is always right”
- “Risk takers value creation”
- “We are strategic partner to customer”
- “Consistency in capital”
- “From product to (finance) solutions”
- “Liquidity for customer”
- “Entrepreneurial, transform the industry”
- “ROE is most important “matters””
- “New talent: ‘diverse new deals daily’ or ‘new job with every deal!’”
- “There for our customers in good times and bad”
- “Help companies grow, be part of something that matters”
- “Opportunity to Innovate”
Vendor Team’s Envisioned Future for the Equipment Leasing and Finance Industry

**FACTS**
- Uninhibited, unrestrained solutions
- Provider to the Global Economy
- Exponential rapid innovation industry

**SYSTEMS**
- Flexi-work model
- Instantaneous feedback
- Virtual Access
- Pay for use
- Thick Data
- Behavioral Underwriting
- Hub
- Embedded
- Capture units of consumption
- Global Market Place
- Global Currency
- Life-cycle asset management
- Recycling
- Sustainability
- Integration System
- Seamless funding
- Service Provider/Clearing House Model
- On-demand app

**VALUES**
- Diversity
- Agility
- Creativity
- Meritocracy
- Utility
- High trust level
- Responsibility
- Security
- Ubiquity
- Exponential
- Entrepreneurial
- Digital values
- Profit
- Articulating
- Openmindedness
- Flexibility
- Solution-focused
- Inclusion
- Passion
- Agnostic (“the best”)
- Accountability
- Responsible
- Entrepreneurial
- Articulating

**MYTHS & METAPHORS**
- “Behavior is king”
- “Mesh Landscape”
- “No brick and mortar”
- “New Consumption Architecture”
- “The world is my talent”
- “Unregulated landscape”
- “We can Uber that”
- “Paperless world”
- “Rent-A-Talent”
- “ELFA becomes LFA”
- “Financial fiber”
- “Usage-based customer”
- “I-T becomes G-O-N-E”
- “Micro by the minute”
- “Transparent bandwidth”
- “Silicon Valley of finance”
- “Pull it from the cloud”
- “24/7 Workforce”
## 2016 Industry Future Council Participants

<table>
<thead>
<tr>
<th>Name</th>
<th>Role</th>
<th>Organization</th>
</tr>
</thead>
<tbody>
<tr>
<td>Kris Darby</td>
<td>Vice President, Risk Management</td>
<td>Western Equipment Finance, Inc.</td>
</tr>
<tr>
<td>Jeff Dicosola</td>
<td>Sales Manager</td>
<td>Great American Insurance</td>
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<tr>
<td>Connie Eimers</td>
<td>President &amp; COO</td>
<td>Vision Financial Group</td>
</tr>
<tr>
<td>Katie Emmel – IFC Sponsor</td>
<td>VP of Product Management</td>
<td>International Decision Systems</td>
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<tr>
<td>Dave Fate</td>
<td>President &amp; CEO</td>
<td>Stonebriar Commercial Finance, LLC</td>
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<tr>
<td>Michael Gay</td>
<td>Senior Managing Director – Group Head</td>
<td>NXT Capital</td>
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<tr>
<td>David Gilmore</td>
<td>Senior Vice President</td>
<td>John Deere Finance</td>
</tr>
<tr>
<td>Brian Madison</td>
<td>Senior Vice President</td>
<td>Key Equipment Finance</td>
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<tr>
<td>Zack Marsh</td>
<td>CFO</td>
<td>Mintaka Financial, LLC</td>
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<tr>
<td>Chelsea Neil</td>
<td>Program Assistant</td>
<td>Equipment Leasing &amp; Finance Foundation</td>
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<tr>
<td>Kelli Nienaber</td>
<td>Executive Director</td>
<td>Equipment Leasing &amp; Finance Foundation</td>
</tr>
<tr>
<td>Ralph Petta</td>
<td>President and CEO</td>
<td>Equipment Leasing and Finance Association</td>
</tr>
<tr>
<td>Bill Stephenson – ELFA Chairman</td>
<td>CEO &amp; Chairman of the Executive Board</td>
<td>DLL</td>
</tr>
<tr>
<td>Frank Spencer - IFC Facilitator</td>
<td>Principal/Creative Director</td>
<td>Kedge LLC</td>
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<tr>
<td>Mike Sweeney</td>
<td>SVP Originations, Vendor Finance</td>
<td>Everbank Commercial Finance</td>
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<tr>
<td>Amber Thomas</td>
<td>Research Analyst</td>
<td>Kedge LLC</td>
</tr>
<tr>
<td>Bill Verhelle – Foundation Chairman</td>
<td>Member</td>
<td>Harvard Partners LLC</td>
</tr>
<tr>
<td>Thomas Ware – IFC Co-Sponsor</td>
<td>Senior Vice President, Analytics and Product Development</td>
<td>Kedge LLC</td>
</tr>
<tr>
<td>Yvette Montero-Salvatico – IFC Facilitator</td>
<td>Principal/Managing Director</td>
<td>Kedge LLC</td>
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</tbody>
</table>
About the Facilitator

Kedge LLC

Kedge is a minority-owned global foresight, innovation, creativity, and strategic design consultancy headquartered in the United States. We help our clients to thrive in a world of complex ideas and practices, uncover emerging trends on the horizon that will impact their business, and discover unseen opportunities for strategic advantage and development. We offer capacity building foresight learning programs to foster innovation, strengthen strategy development and transform organizational culture.

Yvette Montero Salvatico, Managing Partner/Principal

Holding a bachelor’s degree in Finance and an MBA from the University of Florida, Yvette has over 15 years of corporate experience with large, multi-national firms such as Kimberly-Clark and The Walt Disney Company. Before joining Kedge in early 2012, she led the effort to establish the Future Workforce Insights division at the Walt Disney Company, identifying future workforce trends and leveraging foresight models and techniques to assess potential threats and impacts, emerging ideas, and exciting opportunities for the organization. Yvette is a faculty member of The Conference Board and holds membership in organizations such as Society for Human Resource Management (SHRM), Association for Talent Development (ATD), Association for Professional Futurists (APF), and World Futures Society (WFS).

Frank Spencer, Creative Partner/Principal

Prior to establishing Kedge, Frank worked for 15 years as a leadership coach and developer with entrepreneurs, social communities, networking initiatives and SMEs, helping them in areas such as development, innovation and networking. He holds a Master of Arts in Strategic Foresight from Regent University. With a strong background in both business and academic foresight, Frank was the creator and lead instructor of The Futures Institute: Shaping the Future Now at Duke University’s Talent Identification Program Institute, teaching students to use futures and foresight to develop transformative solutions to grand challenges (2010, 2011). He has worked on Strategic Foresight projects for companies such as Kraft, Mars, Marriott, and The Walt Disney Company. He is a prolific speaker, having delivered presentations to groups and conferences around the globe for over the last 20 years. Frank holds memberships in World Futures Society (WFS) and Association for Professional Futurists (APF).
Insightful, In-Depth Industry Resources

Founded in 1989, the Equipment Leasing & Finance Foundation is a 501c3 non-profit organization dedicated to inspiring thoughtful innovation and contributing to the betterment of the $1 trillion equipment leasing and finance industry.

Future-Focused Research and Analyses

The Foundation is the premier source for the most comprehensive, future-focused research and analyses available on issues of interest to business leaders, academics and other participants in the equipment finance sector. All research releases, studies and articles* are available at the Foundation’s online library www.store.leasefoundation.org/, including the following:

- **Equipment Leasing and Finance U.S. Economic Outlook** – This report highlights key trends in equipment investment and places them in the context of the broader U.S. economic climate. The report is updated quarterly throughout the year.

- **Foundation-Keybridge Equipment & Software Investment Momentum Monitor** – A monthly report of indices for 12 equipment and software verticals designed to identify turning points in their respective investment cycles with a 3 to 6-month lead time.

- **Industry Future Council Report** – Based on the deliberations of the Foundation’s Industry Future Council of leading industry lessors, analysts, and service providers on current issues, trends and future industry outlook, the IFC Report is a guidebook for providers and arrangers of equipment finance as they undertake their own strategic planning efforts.

- **State of the Equipment Finance Industry Report** – The SEFI provides a unique look at trends in the equipment finance industry over the past year, identifies key drivers for future growth, and explores emerging opportunities and risks that could shape the industry over the next 3-5 years.

- **Monthly Confidence Index for the Equipment Finance Industry** – Designed to collect leadership data, the MCI reports a qualitative assessment of both the prevailing business conditions and expectations for the future as reported by key executives from the $1 trillion equipment finance sector.

- **Journal of Equipment Lease Financing** – The only scholarly periodical dedicated to equipment leasing and finance, the Journal is published quarterly and spotlights research, case studies, trends and practical information through in-depth articles. Author guidelines are available online at www.leasefoundation.org/research/jelf/

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