

EQUIPMENT

Leasing & Finance

NOVEMBER-DECEMBER 2022

THE MAGAZINE FOR INDUSTRY EXECUTIVES

Your Evolving Equipment Finance Career



ELFA
EQUIPMENT LEASING AND
FINANCE ASSOCIATION

150



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Boost your business intelligence.

2022 Survey of Equipment Finance Activity

Delve into fresh data from 100 equipment finance companies in the SEFA and the Small-Ticket companion report. Start making better, data-driven decisions today!



NEW!

2022 Survey of Equipment Finance Activity



Interactive SEFA Dashboard

View highlights from 15 years of industry benchmark data. Drill down into specific information in just a few clicks. Free access for members only. **Bonus:** Survey respondents get a personalized MySEFA dashboard!

www.elfaonline.org/SEFA

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Building a Roadmap for ELFA



IF THE LAST FEW YEARS HAVE TAUGHT US ANYTHING, it's to take nothing for granted. ELFA isn't taking anything for granted, either—and that's why we're looking hard at our future as an association. We want to be sure we're looking well down the road so we can offer you, our members, not only what you need today and tomorrow, but five to seven years from now.

At the Board of Directors meeting in October, the Board approved a new long-range strategic plan that will serve as a roadmap for where our association is going over a five-to-seven-year period. The plan specifies strategic goals in five key areas: Advocacy,

Business Intelligence, Industry Awareness and Impact, Member Engagement and Training & Education.

To execute on the plan, our staff, the Board and the entire volunteer leadership are poised to make changes and investments going forward to help member companies adapt and thrive. Read more about the plan in the story "Future Focus."

Career Resources

We know from our strategic plan research that workforce issues are top-of-mind for many of you. In our cover story, "Your Evolving Equipment Finance Career," HR experts and executive search specialists discuss how industry roles are shifting and reveal the latest trends in a challenging hiring landscape, including findings from our latest compensation survey. Don't miss "ELFA Resources to Grow Your Career," including our new [Career Pathways](#) program.

Welcoming New Members

Membership with ELFA is on the rise and in our feature story, "Meet the New ELFA Members," we introduce you to some of our newest members. We also recognize long-time members celebrating milestone

membership anniversaries, from 20 years to an impressive 50 years. See "Eight Ideas to Maximize Your ELFA Membership" for tips for getting the most out of your involvement with the association.

Annual Convention

It was wonderful to see so many members at our 61st Annual Convention in Orlando. The last-minute change in location caused by Hurricane Ian was unprecedented, and we thank all of our attendees, sponsors, exhibitors, partners and vendors for your support. I'm especially proud of my colleagues on the ELFA staff, particularly VP of Business and Professional Development Lisa Ramirez and her team, for making it happen. Read highlights in "Welcoming Change as Opportunity."

Special congratulations to Valerie Hayes Jester, who was inducted into the Equipment Finance Hall of Fame at the Chair's Dinner preceding the Annual Convention. Read about Valerie's extraordinary accomplishments at www.elfaonline.org/hof.

As we wrap up 2022, I would like to recognize outgoing Chair Mike DiCecco, the Board of Directors and all of our member volunteers for a successful year. The ELFA team and I look forward to working with 2023 Chair Bob Neagle and all of you in the year ahead. ☰

RALPH PETTA is the President and CEO of the Equipment Leasing and Finance Association.



Bob Neagle, 2023 ELFA Board Chair

2023 Dues Renewal Season Is Here!

IT'S THAT TIME OF YEAR AGAIN and the dues renewal campaign has begun. Renewal invoices for the 2023 membership year were **emailed** to the key contacts of all ELFA member companies the week of Nov. 7. Hard copy invoices will no longer be mailed. Timely payment of your 2023 membership dues will ensure uninterrupted access to indispensable benefits, such as federal and state advocacy updates, targeted industry research, discounted fees for ELFA events and much more. Please contact ELFA Membership at membership@elfaonline.org if you have any questions. Thank you for your continued support!

Key Dates to Remember...

Nov. 7, 2022 – 2023 dues invoices emailed to Key Contacts

Dec. 31, 2022 – Deadline to pay 2023 dues

THROUGHOUT 2023 – Take advantage of ELFA's many benefits! Contact membership@elfaonline.org to learn more about the resources available to all ELFA members.

2023 ELFA Leadership

FOLLOWING THE 2022 ELECTION, ELFA Officers and Directors for 2023 are as follows:

OFFICERS

Robert Neagle, Finova Capital, LLC (*Chair*)

Michael DiCecco, Huntington Asset Finance (*Immediate Past Chair*)

Robert Boyer, CLFP, First Commonwealth Equipment Finance (*Chair-Elect*)

Deborah Baker, HP Inc. (*Vice Chair*)

James Cress, Stryker Flex Financial (*Vice Chair*)

Daniel Krajewski, Equify Financial LLC (Treasurer)

Ralph Petta, ELFA (President/CEO)

Ed Rosen, ELFA (Secretary)

DIRECTORS

Jon Biorkman, U.S. Managing Director and Head, BMO Equipment Finance, BMO Harris Equipment Finance

Kathleen Canum, Senior Vice President, Administration, Canon Financial Services, Inc.

Debra Devassy Babu, Shareholder, Darcy & Devassy PC

David Drury, President, Senior Vice President, Group Head, Fifth Third Bank, National Association

Mark Duncan, EVP and Chief Operating Officer, Mitsubishi HC Capital America

Brian Eschmann, CLFP, President, Northland Capital Equipment Finance

David Farrell, Managing Director - Head of Capital Markets, Bank of America Global Leasing

R.J. Grimshaw, President & CEO, UniFi Equipment Finance

Amy Gross, EVP, Key Government Finance

Eric Gross, COO, Dext Capital

Michael Jones, President, Business Capital, CIT

Brad Peterson, Chief Operating Officer, Channel

Kirk Phillips, President & CEO, Wintrust Commercial Finance

Ricardo A. Rios, President & CEO, Commercial Equipment Finance, Inc.

Barry Ripes, SVP, Financial Services Leader, Equifax

Michael Romanowski, President, Farm Credit Leasing

Jayma Sandquist, Chief Marketing Officer, SVP JDF US & CA, John Deere Financial

Nick Small, VP, Finance Shared Services, Cisco Systems Capital Corporation

David Verkinderen, CLFP, SVP, Office Equipment & Manufacturing Vendor Services, U.S. Bank

Robert Wax, Co-President, Kingsbury Wax Bova

Bruce Winter, CLFP, President, FSG Capital, Inc.



Jester Enters Equipment Finance Hall of Fame

ELFA HAS NAMED Valerie Hayes Jester to the 2022 Class of the Equipment Finance Hall of Fame. Jester accepted the award at the Chair's Dinner preceding the 61st ELFA Annual Convention in Orlando. She was recognized as a groundbreaking leader, industry entrepreneur and champion of women in equipment finance. "As an industry pioneer, Valerie has helped change the face of equipment finance and her legacy will inspire generations to come," said ELFA President and CEO Ralph Petta. Learn more at www.elfaonline.org/hof.



Member Engagement

DID YOU KNOW that dozens of ELFA committee meetings engage hundreds of members on a regular basis? Before the pandemic, most meetings were conducted via audio conference call, but today meetings are held via zoom, like the Bank BCSC meeting from September pictured above. Many committees also get together periodically in person. To get involved, download the [ELFA Volunteer Guide](#), [complete the online committee volunteer form](#) or contact Director of Governance Ed Rosen at erosen@elfaonline.org.



Women's Spotlight: Meet Carla Potter

THE ELFA WOMEN'S COUNCIL is shining a light on women in equipment finance through a new Q&A series. In the latest interview, meet Carla Potter, attorney at Cassels Brock & Blackwell LLP. Find out how Carla got started in equipment finance, what motivates her to get up each morning, and whether she prefers a Peloton ride or a glass of wine when faced with 30 minutes of free time. Plus: The rewarding pro bono initiative that Carla has undertaken. [Read more.](#)

Ask a Leader

CHECK OUT THE LATEST "Ask a Leader" interview with James Cress, VP & General Manager of Stryker Flex Financial. Cress shares what he wishes he knew earlier in his career and the importance of building not only technical skills but also leadership competencies as you advance in your career. Plus, his top three pieces of advice for those entering the industry. This insightful interview series is brought to you by the Emerging Talent Advisory Council. [Read more.](#)

Join the Q4 Mobile App Challenge!

WHAT ARE YOU THANKFUL FOR? ELFA wants to know! Post a picture of what you're thankful for on the Engage Wall of the ELFA mobile app for your chance to win! ELFA members who post between Nov. 1 and Dec. 15 will be entered to win a \$25 Amazon Prime gift card and ELFA swag and join the #ELFAMugClub. See details at www.elfaonline.org/app.



Membership Minute

Upload the **ELFA Member logo** to your company website and show your support of the industry and the association. [Learn more.](#)



What's New in the Marine Industry?

IN CASE YOU MISSED IT, a recording of the Sept. 21 ELFA Wednesday Webinar "The Marine Industry: Sailing on Strong Asset Prices for Now, Both Domestically and Internationally" is now available. [Learn more.](#) Times are good for the marine industry, but inherent industry risks are lurking. Asset managers, credit risk managers, analysts and investment and finance professionals with lenders, equipment financiers and lessors will find this webinar of interest.

Find New Opportunities in the ELFA Career Center

THIS HIRING SEASON, turn to the ELFA Career Center to meet your employment goals. If you're a job seeker, search and apply for jobs in your field and enjoy free and confidential resume posting. If you're an employer, post and track job announcements and search our resume database. Learn more at <https://careers.elfaonline.org>.



Fostering Employee Success

CONGRATS to 32 engaged and enthusiastic participants who graduated from the September Principles of Equipment Leasing and Finance Workshop at ELFA headquarters in Washington, D.C. Learn about the class at www.elfaonline.org/POL.

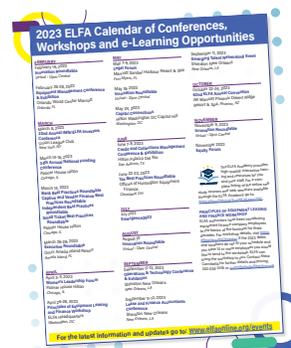


Tech Innovators Recognized

CONGRATS to the team at Meridian OneCap Credit Corp., who picked up the Operations & Technology Excellence Award at the Operations & Technology Conference in New Orleans in September. (Pictured L-R: Michelle Gibson, Albina Vella, Hugh Swandel, Rish Ramjit, Michael LaPierre, Kevin Shannon and Amardeep Singh.)

Save the Date: 2023 ELFA Events

TAKE ADVANTAGE of a wealth of learning and networking opportunities available to you and your staff as part of your ELFA membership. See the 2023 Event Calendar in this magazine and visit www.elfaonline.org/events.



Volunteers Step Up to Represent You

ELFA IS PLEASED TO PRESENT the following Business Council Steering Committees for 2023. The BCSCs play an important role representing your interests to the Board of Directors. The asterisks indicate members who were newly elected or re-elected in the September 2022 elections. ☰

BANK BCSC

Robert Seltzer, BciCapital, Inc. (BciC) (*Chair*)*
Jon Biorkman, BMO Harris Equipment Finance (*Board Liaison*)
Mark Boyer, CIT*
Eric Bunnell, Arvest Equipment Finance
Robert Campbell, Signature Financial LLC*
Laura Elrod Eckhardt, Frost Equipment Leasing and Finance*
Mark Farlin, LEAF Commercial Capital
Adam Fay, First American Equipment Finance, an RBC / City National Company
Thomas Forbes, Wintrust Commercial Finance
Kristopher Foster, Pinnacle Financial Partners, Inc.
Amy Gestal, Huntington Technology Finance*
Bryan Grantham, Regions Equipment Finance
Matthew Hand, U.S. Bank Equipment Finance

David Jaliman, Atlantic Union Equipment Finance*
Aaron Jensen, Farm Credit Leasing*
Dale Kluga, Providence Equipment Finance, A Division of Providence Bank & Trust*
Dennis Magarro, Peapack Capital Corporation
Jill McKean-Bilby, BOK Financial Equipment Finance, Inc.*
Theresa Provencher, Bank of America Global Leasing
Linda Redding, JP Morgan Commercial Banking*
Marci Slagle, BankFinancial, NA
Matthew Vazzana, Huntington Technology Finance (*ETAC Liaison*)
Stan Walker, Citizens Asset Finance*
 ELFA STAFF LIAISON: Julie Benson, jbenson@elfaonline.org

CAPTIVE AND VENDOR FINANCE BCSC

Eileen Schoonmaker, DLL (*Chair*)
Bruno Amalberti, CIT*
Mark Bainbridge, Caterpillar Financial Services Corporation
Joe Banister, LEAF Commercial Capital Inc.
Brian Bower, Bank of America Global Leasing
Kathy Canum, Canon Financial Services, Inc. (*Board Liaison*)
Mark Casel, Key Equipment Finance*
Todd Clegg, TCF Capital Solutions, a division of TCF National Bank
Dan Hathcoat, Summit Funding Group, Inc.
Xiang Ji, Toyota Industries Commercial Finance, Inc.*
Christopher Johnson, Pitney Bowes Global Financial Services

Corey Kerns, GreatAmerica*
Mark Lombardi, GE Healthcare Financial Services
Jeremy McCulloch, Wells Fargo Vendor Financial Services
Dan Nuss, US Bank Equipment Finance
Josh Snider, Verdant Commercial Capital*
Justin Tabone, TIAA Commercial Finance, Inc.*
Greg Vandewalker, GreatAmerica Financial Services
Camtu Vo, DLL (*ETAC Liaison*)
Chad Volkert, John Deere Financial*
Dan Willems Van Dijk, CNH Industrial Capital*
 ELFA STAFF LIAISON: Bill Choi, bchoi@elfaonline.org

INDEPENDENT BCSC

Jonathan Albin, Nexseer Capital (*Chair*)*
Kimberly Adair, Amur Equipment Finance*
Hollis Bufferd, Star Hill Financial LLC
Deborah Cole, Gaelic Leasing Inc
James Currier, Finloc USA Inc.*
Roman Gajda, ENGS Commercial Finance Co.
Autumn Heseltine, Insight Investments, LLC*
Patrick Hoiby, Equify Financial LLC*
Rick Matte, Encina Equipment Finance, LLC*
Will Mennesson, AP Equipment Financing (*ETAC Liaison*)

Brian Mulder, FORT Capital Resources, LLC
Chris Pagano, Mitsubishi HC Capital America, Inc.
Jennifer Sablowski, LeasePlan USA*
Howard Shiebler, Crossroads Equipment Lease & Finance LLC
Harrison Smith, Stonebriar Commercial Finance*
Paula Summers, Vision Financial Group, Inc.*
Peggy Tomcheck, Aspen Capital Company, Inc.*
Bruce Winter, FSG Capital, Inc. (*Board Liaison*)
ELFA STAFF LIAISON: Amy Vogt, avogt@elfaonline.org

SERVICE PROVIDER BCSC

Cody Sanguinetti, CLFP, Great American Insurance Group
(*Chair*)
Tara Aasand, LTi Technology Solutions*
Jeffrey Bilbrey, Leasepath*
Susan Carol, Susan Carol Creative
Benjamin Court, Stinson LLP *
Joe Franco, CLFP, FIS
Jon Gerson, Executive Solutions for Leasing and Finance, LLC*
David Herrera, Bigfoot Forklift LLC*

Basil Karatzas, Karatzas Marine Advisors & Co*
Brian Little, V3 Distribution*
Sean McKenna, Great American Insurance Group (*ETAC Liaison*)
Barry Ripes, Equifax (*Board Liaison*)
Barbara King, Capgemini America, Inc.*
Kim Riggs-Mounger, CLFP, Orion First Financial, LLC*
Rob van der Zanden, Kin Analytics*
ELFA STAFF LIAISON: Andrea Tzamaras, atzamaras@elfaonline.org

SMALL TICKET BCSC

Robert Ceribelli, DLL (*Chair*)*
Erik Anderson, Northland Capital Equipment Finance*
Anita Colvin, CLFP, U.S. Bank
Cole Farmer, Blue Street Capital, LLC (*ETAC Liaison*)
Paul Fogle, Quality Equipment Finance*
Nicholas Gibbens, CLFP, Wintrust Specialty Finance
Brent Hall, CLFP, Alliance Funding Group*

Adrian Hebig, Channel*
Richard Irwin, PEAC Solutions *
Brient Mills, JB&B Capital, LLC
Kayla Perlinger, Oakmont Capital Services
Brad Peterson, Channel (*Board Liaison*)
Todd Wainwright, Amur Equipment Finance
ELFA STAFF LIAISON: Ed Rosen, erosen@elfaonline.org



Outgoing Bank BCSC Chair Sean Svoboda of Farm Credit Leasing accepted the 2022 Advocacy Champions Award on behalf of his committee at the 61st ELFA Annual Convention. (Pictured L-R: ELFA Director of Federal Government Relations Matt Hart, Outgoing ELFA Chair Mike DiCecco, Svoboda and ELFA President and CEO Ralph Petta.)

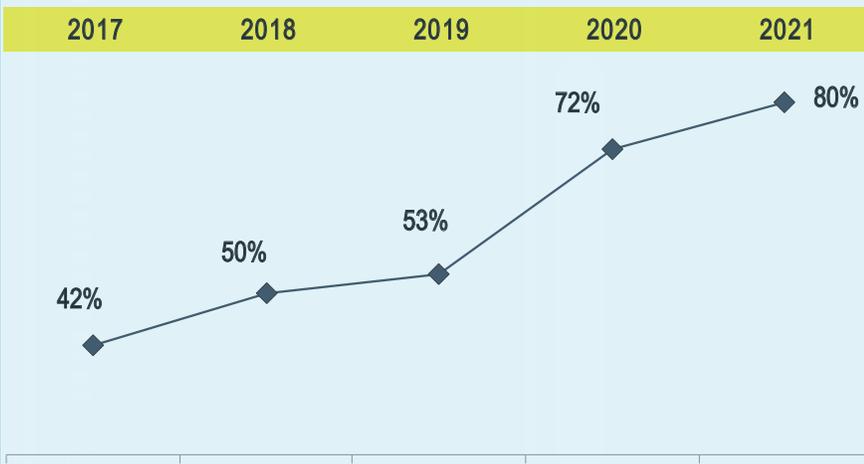


Rise of E-Docs

Even before the pandemic, the use of electronic documents was on the rise in the equipment finance industry. The pandemic accelerated the adoption rate, as the graph below indicates.

Source: 2022 SEFA, www.elfaonline.org/sefa.

% of New Business Volume Documented with an Electronic Document

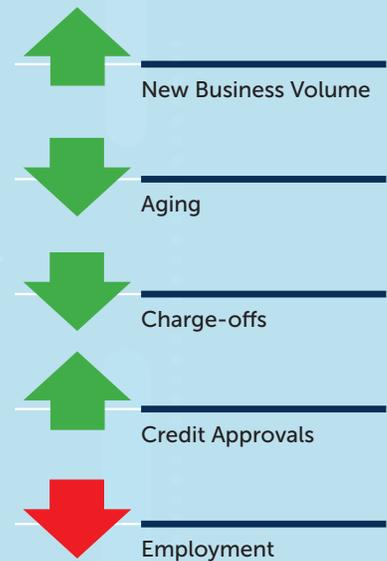


Monthly Leasing and Finance Index Products

September MLFI Year-Over-Year

See details at

www.elfaonline.org/data/MLFI



66%

That's the rate of non-tax-oriented leases and term loans in 2021, continuing a multi-year rise interrupted only in 2020.

Source: 2022 SEFA, www.elfaonline.org/sefa.

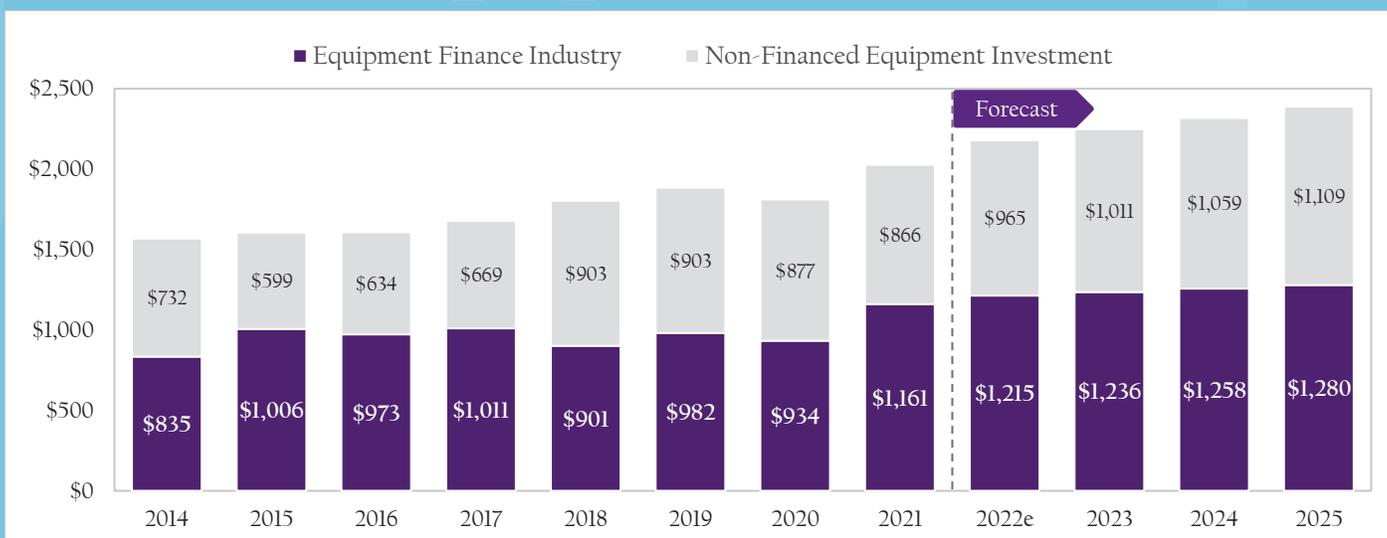
Non-Tax-Oriented Leases & Term Loans as % of NBV

| 2017 | 2018 | 2019 | 2020 | 2021 |
|-------|-------|-------|-------|-------|
| 58.0% | 61.4% | 64.2% | 63.7% | 66.0% |

Not So Silent Majority

The majority of equipment and software acquisitions are financed, according to the Foundation's 2022 Industry Horizon Report, also known as the Market Sizing Study. Equipment and software investment expanded by 12% to \$2.0 trillion in nominal terms in 2021. An estimated 57.3% of this investment (and 61.8% of private sector investment) was financed, yielding an industry sizing estimate of about \$1.16 trillion.

Access the report at <https://www.leasefoundation.org/industry-resources/horizon-report/#KF>.



Sources: BEA; Foundation end-user surveys; Keybridge LLC. Note: The generic term "equipment finance" is used to denote public and private equipment and software acquired via lease, secured loan, or line of credit. Non-financed equipment is acquired through cash, credit card (paid in full), or another method.

It's a Hybrid

Many employees and managers prefer some form of hybrid setup because of the flexibility that comes with remote work as well as the community benefits of working in-office, a theme explored in the Foundation's 2022 Industry Future Council Report. Equipment finance firms have a variety of setups, from 100% remote to 100% in-person, and each company must determine a hybrid work regime that works best for its individual circumstances.



Learn more at <https://www.leasefoundation.org/industry-resources/industry-future-council/>





Your Evolving Equipment Finance Career

Roles in our industry are changing amid increased competition, technology advancements and retention challenges.

By Susan L. Hodges

ASK JONI KOVAC WHAT'S NEW IN HUMAN RESOURCES at equipment finance companies these days, and she draws a long breath to answer what has become a big question. "A lot is happening here," begins the Senior VP of Human Resources and Chief Human Resources Officer at Mitsubishi HC Capital America. "Since the pandemic, we've become more national, more hybrid and more flexible in our work model. Record low unemployment creates a very competitive and challenging hiring landscape, so instead of looking at specific office locations, we look nationwide for talent who would be a good fit, even if they can't come into an office—and we no longer require anyone to come in five days a week."

Val Chambers, Global HR Director at Caterpillar Financial Services Corporation, says her company has streamlined its recruiting process to adapt to the new market. "Before the pandemic, our approach was pretty consistent with each candidate; now it's very strategic," she says. "We're more flexible

with remote and hybrid work, we're offering more competitive salary packages, and we're reducing our time to respond to candidates. Moving faster was necessary, because candidates would get swooped up before we had completed our process. In some cases, we'd have to post a job multiple times."

Creative Necessity

At a time when prospective employees are being snapped up almost as soon as they post a resume, equipment finance companies are tinkering with job requirements, expanding titles and increasing compensation, not only to catch fresh talent but to keep great employees. Hiring professionals would be loath to compare these moves to a fishing tournament, but the competition is hotter than ever to lure, land and hold onto good people, and its effects are being felt up and down the corporate ladder.

"Today's tight labor market continues to drive higher wages and favors the employee—even with the economic environment weakening," says Dave Rosenthal, Senior Consultant at McLagan Aon, a compensation data provider producing ELFA's annual Equipment Leasing & Finance Compensation Survey. Rosenthal cites 2021 as a record year for most equipment leasing businesses and says total compensation for equipment finance professionals mirrored the growth seen in new business volume. "Compensation increased 5% to 10% year-over-year across all levels," he says.

The 2022 Compensation Survey also showed salaries increasing 2% to 3% across the business. "[But] there were cases of greater movement among originators and portfolio managers and among junior to mid-level staff, of 6% and 5% respectively," Rosenthal says.

Jon Gerson, President of Executive Solutions for Leasing and Finance, Inc., sums up the situation: "If you can't make an offer that is market-competitive, you're not going to get the hire. *Everyone* is hiring, and some equipment finance companies are losing people to other industries. That's something I've never seen before!"



"Today's tight labor market continues to drive higher wages and favors the employee—even with the economic environment weakening."

- Dave Rosenthal, McLagan Aon

Moreover, Gerson says the problem doesn't always go away if you increase the salary. "Candidates can pick whatever job they want, so recognize that you are more likely than not to be in a competitive situation with whomever you're trying to hire," he emphasizes. "You have to get there first and then add value: maybe your

company is more tech savvy than the competition. If you're hiring sales, maybe you'll provide a sales assistant. You don't even get an opportunity to win the salary discussions with prospects until you show the 'why' for your company; what your company does and its capabilities. The salary ends up being the bow on top."

"You don't even get an opportunity to win the salary discussions with prospects until you show the 'why' for your company."

- Jon Gerson, Executive Solutions for Leasing and Finance, Inc.



Prospects and employees are also asking for more because nearly everything costs more this month than it did last. "Inflation may not continue at its current pace, but things still get more expensive and that will always be the case—and now employees are in stronger positions to negotiate," says Gerson, adding, "Although some prices have fallen, the expectation for more money is still there, and this will have reverberations over the next three to four quarters."

Bob Wax, Co-President of Kingsbury Wax Bova, LLC, shares this: "Even prior to the current inflation, candidates were in the driver's seat, with many companies having to reach the top of their salary scales and offer sign-on bonuses and annual guarantees. And still they were having to make several offers to able to secure talent." Wax says his firm went years without candidates turning down a job offer, "but during the height of COVID-19 candidates' decision-making process changed dramatically, and we saw more offers rejected than we had in the prior 10 years," he says.

Chambers sees some candidates demanding higher salary packages or asking for more work flexibility before accepting the job. "At times we've had room to offer more in the salary range, but at other times the competition's offer is so much higher that we just have to walk away," she admits. "But some also come back and say they're willing to take that lower salary if they can work remotely."

Expanding Roles and Titles

At the same time companies are paying more, some are also asking employees to do more. "We've paid a lot of attention to what we ask people to do, and we

now have a dedicated team helping employees drive efficiencies, improve their processes and establish KPIs for success," says Kovac. "Everyone is being tasked to think outside the box and be more creative."

Gerson sees companies being more open-minded about who does what, and how. "Years ago, the C-suite was much more siloed than it is today," he says. "Now the CFO and the COO may have some overlap, and HR is viewed not just as processing payroll and benefits, but as responsible for a cohesive cultural strategy. There's a more conscious effort to look at hiring, because companies know they have to be more proactive than reactive."

Chambers thinks roles are becoming more specialized as new technologies and business initiatives require niche skills. "We're seeing more specialized jobs in our core business overall, but we're also encouraging employees to have a variety of skills, because it makes them more effective," she says. "Especially if they aspire to be leaders, we encourage a cross-functional experience."



"We now have a dedicated team helping employees drive efficiencies, improve their processes and establish KPIs for success."

- Joni Kovac, Mitsubishi HC Capital America

As job responsibilities change and grow, so do titles. "Employees are wearing a few more hats, and job titles have gotten longer to reflect this," Kovac notes. "We're trying to more clearly define what each person does. Everyone has access to their job description, and at year-end we ask them to look through it, make any edits and review it with their manager. Afterward, the descriptions are submitted to an HR manager so that everyone is on the same page."

At Caterpillar Financial Services Corporation, Chambers says employees can update their external titles to better resonate with community. "Within Cat Financial, we're part of 100,000 employees, so we streamline titles and bucket them where it makes sense to do so. But we encourage team members to use business titles that resonate with customers, so we do a bit of both."

Wax has also noticed titles becoming more functional and sometimes expanding for out-facing positions.

"We're seeing more specialized jobs in our core business overall, but we're also encouraging employees to have a variety of skills."

- Val Chambers, Caterpillar Financial Services Corporation



"A lot of companies have internal office titles and external titles that are more descriptive," he observes. "Employees in external-facing positions want titles that tell what they do and match against their counterparties so that they convey their level, seniority and functional importance within their respective organization." But Wax also says few people focus solely on their title. He observes, "A title with compensation that's not marked to market is like owning a reservoir without water in it."

Finding Flexibility

Compensation may be king, but flexibility in other aspects of employment is also becoming vital. Rosenthal says banks and financial services companies are typically less flexible in remote work arrangements than other industries. But in other ways, openness to change appears to be on the rise. "I'm seeing more clients ask how to develop a culture for new employees in this hybrid environment, and how to mentor and train those who aren't working side by side," says Wax. "The situation varies from company to company, and some CEOs still want everyone to march to their drum. But I suspect companies that don't have this kind of flexibility won't survive," he adds.

But there are many ways to change with the times. Kovac mentioned cross-training, and Gerson says he's seeing a return to the practice. "Before the Great Recession, I saw clients investing less in this, perhaps because they feared that too much development would result in employees being taken away," he says. "But now I'm starting to see some companies say, 'What are we missing here? Maybe we need to start cross-training again.'"

Caterpillar Financial Services Corporation demonstrates innovation by implementing technology into the company's recruiting process. Says Chambers, "We use LinkedIn and Gartner's Talent Neuron platform to identify and track hiring trends." And by tapping new markets, the company has enlarged its talent pool. "We're working with the Chamber of Commerce and the local military base to attract people who are

transitioning and interested in industries like ours,” says Chambers. “We’ve been doing apprenticeships with members of the military, and we’re working with a third-party company that screens and readies neuro-diverse talent for jobs.”

As Chambers explains, “Neuro-diverse talent have neurological conditions at various levels of the spectrum with autism or dyslexia,” she says. “Their strong skills in pattern recognition and mathematics are a valuable asset for our business.” Chambers says Cat Financial has initially hired neuro-diverse talent into IT roles and hopes to expand this into other areas of the business.

The Tech Effect

Chambers’ comments prompt another question: Is technology’s growing role at equipment finance companies resulting in more or fewer hires overall? Answers vary. “If equipment finance companies are hiring fewer employees, it’s because there *are* fewer employees,” asserts Gerson. “It doesn’t matter who you are or where you are. You’re hiring fewer employees because you simply cannot find them.”

Wax thinks about the future. “I believe technology will change the method of delivering product and reduce the cost of transactions,” he says. “To the extent that companies become digitized and use AI, those in the industry will become skinnier, positions possibly morphing into technology positions.” But Wax says he hasn’t seen downsizing today, and notes instead “a large shortage of experienced, highly trained professionals” in the origination area.

“I’m seeing more clients ask how to develop a culture for new employees in this hybrid environment.”

- Bob Wax, Kingsbury Wax Bova, LLC



Kovac describes a different scenario. “We’ve definitely reduced the number of jobs we’ll fill because of technological improvements, but we’re still growing in headcount—just not as fast as we could be,” she says. “This is not to say our net income doesn’t increase, because we’re doing more with less,” she adds. “By focusing on operational excellence, we’re continually looking at processes and actively tackling inefficiencies.”

Chambers says a greater focus on technology has actually increased headcount at Cat Financial, especially in the IT department. “While we’re using more platforms to do things more efficiently, we’re also seeing growth in IT, particularly around digital support for customers and cybersecurity,” she says. “New job titles include Data Scientist and Digital Scientist, which weren’t part of our vernacular a few years ago. Headcount has increased to handle the additional security risks and threats that accompany growing the business.”

At the same time, though, Cat Financial has seen growth in new business initiatives to support increased headcount. Says Chambers, “We’re seeing more of a shift to support functions in IT, accounting and digital positions this year, and I expect that to continue.”

Concluded one source, “The power is with the people, and it’s a difficult play with talent.” In fact no one interviewed for this story expects the employment situation to change measurably in 2023. But that’s a story for another time. ☰

SUSAN HODGES writes about equipment finance from her office in Albuquerque, New Mexico.



ELFA Resources to Grow Your Career

[Career Pathways](#) - A comprehensive list of ELFA training, events, resources and volunteer opportunities designed to guide you as you progress through each phase of your career.

[Equipment Leasing & Finance Compensation Survey](#) - This annual survey provides data for more than 90 executive, front-office and support positions.

[Small & Medium Enterprise Compensation Survey](#) - This report covers 19 specialized revenue and support positions at bank, captive and independent leasing companies.

[Emerging Talent Resources](#) - Are you new to the equipment finance industry? Discover tools to get the most out of your ELFA membership and grow your career.

[Human Capital Resources](#) - Access resources on a range of human resource matters, from organizational leadership to training and development.

[ELFA Career Center](#) - Helps equipment finance companies locate candidates, while also offering job seekers a venue to find relevant job listings and share their resumes with employers.

[2022 Industry Future Council](#) - This report from the Equipment Leasing & Finance Foundation focuses on “Adapting to Changing Workers and Workplaces.”

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Meet the New ELFA Members

Benefits

An exciting group of new members bring varied expertise— and are ready to meet other members.

By Gwen Moran

WHILE IT'S NOT QUITE A "POST-PANDEMIC" ERA, a new normal is emerging in the equipment finance world. Offices are open, business travel has picked up and live events are back. Still, the landscape has changed. Remote and hybrid workplace models have increased. Companies are evaluating economic forecasts as they look at re-investment for growth. New challenges, ranging from inflation pressures to supply chain issues, require creative thinking and solutions. ELFA is focused on helping members navigate these new challenges. And here are five of the newest companies to join the membership ranks:

MidCap Equipment Finance LLC



Launched in January, MidCap Equipment Finance LLC may be a newcomer as a company, but its leadership team is made up of seasoned professionals from major financial organizations. The company specializes in equipment leasing and lending to middle-market companies in the U.S. and Canada, joining forces with MidCap Business Credit LLC, which specializes in asset-based lending. "This product combination is a true differentiator in the marketplace and our goal is to provide a comprehensive financing solution to our customers," says Saurin Shah, President of MidCap Equipment Finance.

While MidCap Equipment Finance handles transactions between \$2 million and \$25 million, most are in the \$3 million to \$5 million range. Shah says the company fills an important gap in the market, since large ticket financing companies typically have a \$15 million transaction minimum, and small ticket companies may "max out" at \$3 million. "We're finding companies that have stable cash flow and good financials who need someone who focuses on that mid-range deal size," he says.

The company's expertise in analyzing customers' financial situations is particularly relevant now, Shah says. The pandemic has created a tumultuous period for many companies. Lockdowns, supply chain disruptions and other factors took their toll on some companies' financials. Shah says the MidCap team understands these challenges and may find opportunities where other funding sources won't. "We evaluate each

opportunity that comes through on its own individual merits, then figure out if we're comfortable doing the investment," he says.

Shah says the community and networking opportunities ELFA offers are important to him, including events like the Funding Conference. The association helps him find contacts, keep up on the latest research and even refer business. "In my previous roles, we were always part of ELFA. It was a great way for us to connect with other leasing companies in our industry," he says. "It's an important part of being in this line of business."

FileInvite



Few industries deal with more sensitive documents and information than equipment leasing and finance companies. From company and individual financial information to tax documents, the information required to process funding deals must be handled with extreme care.

And that's why document management platform FileInvite has joined the ranks of ELFA members, says Cindy Novak, FileInvite's National Sales Manager.

"We see too much confidential data being shared via email, which isn't a secure way to send such information," she says. "Our approach is very different. We're trying to help companies get away from email and to a place where they're digitizing and automating data securely while becoming more efficient."

FileInvite allows users to request documents, signatures, files and data from clients in a secure, integrated platform, eliminating the time-consuming process of

NEW MEMBERS

emailing documents back and forth. And, as cybersecurity concerns continue to grow, the platform also protects sensitive information in ways that email cannot, she says.

“Companies of all sizes are at risk online. Cyber threats are getting more sophisticated, so companies need to be as vigilant as they can be when it comes to protecting customer data and their own systems,” Novak says. She says that one of FileInvite’s advantages is that it delivers a variety of individual solutions—“spokes”—within the product that can be added to a company’s existing systems to serve specific needs, such as creating templates and online forms, setting up customizable email and/or SMS notifications and more.

Novak sees her company’s ELFA membership as a resource for members who need to collect sensitive documents. “ELFA is so well-respected in the industry, and consistently provides necessary information and support to members. We want to be a part of that, too,” she says.

Finloc



For more than 45 years, Finloc has been helping transportation-industry professionals from solo owner-operators to major fleets finance large equipment, with a specialization in

trucks and trailers. With transaction sizes typically ranging from roughly \$30,000 to \$3 million, the company has seen the prices of these vehicles skyrocket during the pandemic, necessitating a new approach to its work with customers, says James Currier, the company’s Chief Revenue Officer of U.S. markets.

“The biggest challenge over the past couple of years is the rapid cost increase. We’ve had to figure out how to work with our customers and clients so they can continue to grow and not be strapped by equipment that costs often double what it did two years ago,” Currier says.

Finloc is built on customer relationships, so the company has become somewhat of an advisor to its clients—an entity invested in their business success—rather than just a funding source. Currier and his team spend their days researching the economic factors that affect transportation companies so they can properly evaluate deals. As a result, they may see opportunities in the sector that less-experienced eyes may overlook.

“We are very much relationship-based in everything we do, and we want to help our clients grow and prosper in what they do,” he says. “I think ELFA will be valuable in the relationships we will build and the resources that will help us help our clients.”

Currier is also enthusiastic about his work and wants to see the next generation of professionals seek out equipment leasing and financing as a career option.

2022 MEMBERSHIP MILESTONES

Celebrating 50 Years

Fifth Third Bank, National Association
U.S. Bank

Celebrating 45 Years

First Hawaiian Leasing, Inc.

Celebrating 40 Years

Agfa Finance Corporation
ATEL Capital Group
Solifi
Johnson & Johnson Finance Corporation
KPMG LLP

Celebrating 35 Years

Stearns Bank N.A.
TD Equipment Finance, Inc.

Celebrating 30 Years

Landmark Financial Corporation
Moritt Hock & Hamroff LLP
Olympus Corporation of the Americas
Ricoh USA, Inc.
Sterling National Bank Equipment Finance
Division

Celebrating 25 Years

Amur Equipment Finance
Bernstein-Burkley, P.C.
Dell Financial Services
ECS Financial Services, Inc.
Fuyo General Lease (USA) Inc.
M&T Bank Corporation
The Alta Group LLC
Toyota Industries Commercial Finance, Inc.
Truist Equipment Finance Corp.

Celebrating 20 Years

Alfa
BankFinancial, NA
Chapman and Cutler LLP
Citizens Asset Finance, a division of
Citizens Bank, N.A.
First Financial Equipment Leasing
Foster & Wolkind, P.C.
Government Leasing, LLC
Harbor Capital Leasing, Inc.
Northland Capital Equipment Finance
Norton Rose Fulbright US LLP
Odessa
Orion First
RTR Services, Inc.
The Toro Company
Union Equipment Finance, LLC

"I count myself very lucky every day to work in the transportation sector. I think it's often overlooked and that more young people should consider working in this sector," he says. "No two days are the same. No two customers are the same."

XCMG America Financial



One of ELFA's newest members is also part of one of the biggest construction equipment companies in the world. XCMG America Financial is a captive finance division of XCMG, the world's third largest construction equipment company, according to Yellow Table 2021 and 2022, which ranks the world's top 50 such companies. XCMG is the highest-ranking company among Chinese manufacturers.

XCMG entered the North American market roughly a decade ago and, last year, announced a big investment in the United States market. Part of that investment was establishing an XCMG captive finance company to provide financing and leasing solutions. XCMG American Financial was developed to help finance XCMG products bought by XCMG dealers and customers in the United States, says CEO Gengzong Qiu. Currently, the company's primary focus is on residential and commercial construction equipment, but it has a number of lines of heavy-duty equipment for various industries, as well. The company partners with QuickFi® by Innovation Finance USA LLC which offers creditworthy borrowers unprecedented access to low-cost capital on the most modern client-accessible lending platform to help streamline financing.

ELFA has been an invaluable resource for economic data and helping his company track trends and developments in the market, such as consumer confidence, Qiu says. As an international company based in China, he says that ELFA's research and data has helped him refine his strategy. In addition, he adds that fellow members have offered support as he has structured his U.S. team. "We have been getting a lot of support from the members," he says.

Qiu says he is looking forward to meeting up with some of those supportive members and meeting others at events like the Annual Convention and various networking events. He expects that ELFA will be an important resource as his company grows.



Kudos to the ELFA Membership Committee!

In 2022 the Membership Committee worked closely with the ELFA Membership Department to assist in the association's recruitment and retention initiatives. With the committee's assistance, ELFA met and exceeded its membership goals for the year. Many thanks to the 2022 committee for their dedication and participation:

Amy Gross, Key Equipment Finance (*Committee Chair*)

Julie Benson, Staff Liaison, ELFA

Brett Boehm, TBF Financial, LLC

Donna Christensen, CSC

Todd Clegg, Huntington Equipment Finance

Deborah Cole, Gaelic Leasing Inc

Mike Coon, Hanmi Bank

Kelly DeCarteret, DeCarteret Transport, LLC

Mark Farlin, LEAF Commercial Capital Inc.

Julia Gavrillov, Moritt Hock & Hamroff LLP

Dominic Janney, Canon Financial Services, Inc.

Xiang Ji, Toyota Industries Commercial Finance, Inc.

Chris Lerma, CLFP, AP Equipment Financing

Rick Matte, Encina Equipment Finance, LLC

Thomas Pericak, Hancock Whitney Equipment Finance, LLC

Marci Slagle, CLFP, BankFinancial, NA

Andrea Tzamaras, ELFA

Do you know of a company that would benefit from ELFA membership? Please email your recommendation to Julie Benson, VP of Membership Marketing, at jbenson@elfaonline.org.

Renasant Bank



New member Renasant Bank may be one of the southeast's strongest financial institutions with \$16.6 billion in assets under management, but its focus is very much that of a community bank. Today, Renasant Bank has 194 banking, lending, wealth management and financial services offices in Mississippi, Alabama, Tennessee, Georgia and Florida. "When you look at the communities we serve, we are right in the heart of SEC football territory," quips John Willis, Senior Vice President and Senior Relationship Manager.

Willis says that Renasant's entire approach to business is based on serving the community and building relationships. The bank and its 10-year-old asset-based lending group work with a broad range of customers, approaching each in a solution-finding way rather than specializing in certain lines of business. "When a customer calls, it's usually because we need to find a solution," he says. "The more problems we solve, the

more that endears you to the client." A problem-solving mindset sets Renasant apart, he adds.

While ABL is a newer part of the bank's business, it's a priority for Renasant. The bank originates traditional asset-based loans to borrowers in manufacturing, distribution and commercial services. In addition, a growing part of its business is comprised of lender finance relationships, such as equipment lessors and lenders, factors, rent-to-own businesses and others. The bank's ABL market area extends beyond the bank's footprint.

Willis says he hopes that the organization's ELFA membership will build and deepen relationships among colleagues, customers and prospects. "As an equipment lessor and lender, Renasant benefits from ELFA's national advocacy as well as the professional education and networking opportunities the association provides," Willis says. ☰

GWEN MORAN is a New Jersey-based freelance business and finance writer.

Eight Ways to Maximize your ELFA Membership



1. If your company is an ELFA member, you may **create a member profile** from the ELFA website and gain access to valuable, members-only resources.
2. Regular members may participate in the **Survey of Equipment Finance Activity (SEFA)** and receive a **free** copy.
3. Subscribe to the **Washington Report**, a monthly newsletter that keeps members up-to-date on ELFA's advocacy efforts before federal policymakers, regulators and standard-setting bodies.
4. Access the **State Tax Manual**, an easily navigated reference guide designed to aid equipment finance companies in tax compliance and planning. This members-only resource provides a comprehensive state-by-state analysis of sales and property taxes.
5. Help drive the association's mission and volunteer on an **ELFA committee**.
6. Dive into business intelligence on the equipment finance industry and access data and industry information in one centralized location through the **Knowledge Hub**.
7. Subscribe to the members-only, online discussion groups: **DataTalk**, **LeaseTalk**, **AcctgTalk**, **LegalTalk**, and **TaxTalk** to stay connected and exchange information with your peers.
8. Take advantage of ELFA's **Career Pathways**, a comprehensive list of training, events, resources and volunteer opportunities designed to guide you as you progress through each phase of your career.

Do you have any questions regarding the benefits of ELFA membership? Please contact the Membership Department at membership@elfaonline.org.

ELFA welcomes new members

Membership with ELFA is on the rise and the association is excited to announce its 2022 new members! ELFA has never been stronger and the addition of these member organizations reflects the strength and diversity of the equipment finance industry. Please join us in welcoming these companies.

| | | |
|--------------------------------------|------------------------------------|-----------------------------------|
| 1st Commercial Credit, LLC | DND Finance | National Debt Holdings |
| Advantage Remarketing Solutions, LLC | Equipment Placement Services, Inc. | Nations Capital, Inc. |
| Apple Bank for Savings | FileInvite | Navistar Financial Corporation |
| ARC Equipment Finance, LLC | Financial Partners Group | North American Banking Company |
| Aubrey Thrasher, LLC | Finloc USA Inc. | Northbase Finance Inc. |
| Authorized Acquisitions LLC | Fitch Ratings | Partners Capital Group Inc. |
| Axiom Bank | Genesis Capital Finance | Renasant Bank |
| Bank of Hawaii | GOLDPoint Systems | Revelation Machinery LLC |
| Battle Horse Financial | GovCon Capital, LLC | Sales & Use Tax Consulting, Inc. |
| Beacon Funding Corporation | Housby Online Sales | Sandhills Global |
| Bigfoot Forklift LLC | Intuitive Surgical Inc. | TPine Leasing Capital, L.P. |
| Bronster, LLP | Jupiter Financial Services, Inc. | Transport Enterprise Leasing, LLC |
| Cadence Bank | Kapitus | TruNorth Global Corp |
| Caprock Commercial Finance | Keystone National Group | Universal Finance Corp. |
| Capteris | LeasePoint Funding Group | VFS LLC |
| Cecil Bank | Loeb Term Solutions | Wilson Vukelich LLP |
| Commercial Capital Company, LLC | MidCap Equipment Finance LLC | Xactus, LLC |
| Copernicus-USA, LLC | Middesk | XCMG America Financial LLC |
| D&S Global Solutions | Midwest Equipment Funding, Inc. | Y&C Truck Capital Inc |
| DataScan | MMP Capital | ZRG Partners, LLC |

Thank You

To All of the 2022 Annual Convention Exhibitors

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|-----------------------------------|---|------------------------------------|
| Alfa | Equipment Leasing & Finance Foundation | LTi Technology Solutions |
| American Lease Insurance | Equipment Leasing and Finance Association | Maynards Capital LP |
| Asset Compliant Solutions (ACS) | Fifth Third Bank, National Association | Monitor / MonitorDaily.com |
| Associated Equipment Distributors | Fileinvite | NETSOL Technologies Americas, Inc. |
| BankFinancial, NA | First Corporate Solutions | Northteq |
| BigIron Auctions | Garnet Capital Advisors, LLC | Odessa |
| CODIX LLC | Great American Insurance Group, Specialty Equipment | Orion First Financial, LLC |
| Constellation Financial Software | Ivory Consulting Corporation | Sandhills Publishing |
| Copernicus-USA, LLC | Jigyasa Analytics LLC | SCJ Commercial Financial Services |
| CSC | Leasepath | Solifi |
| ECS Financial Services, Inc. | Liventus, Inc. | Sopra Banking Software |
| ELFA LeasePAC | | Stuart-Lippman and Associates Inc. |
| Equifax | | |



Welcoming Change

The equipment finance industry gathered—and gave back—at a memorable 61st ELFA Annual Convention

By Amy Vogt

THE HALLMARK RESILIENCY of the equipment finance industry was on full display at the 61st ELFA Annual Convention last month.

On Sept. 28, just 11 days before the Annual Convention, Hurricane Ian swept through Florida. In the wake of the storm, the original Convention hotel on Marco Island announced it would close to the public for a week.

On Oct. 2, ELFA announced that the Annual Convention would still take place on Oct. 9-11, but in a new location: The JW Marriott Grande Lakes in Orlando. The new venue, located 4.5 hours north of Marco Island, was fully operational without any advisories or restrictions, and ready to welcome ELFA attendees.

The decision to move the Convention was not made lightly, as ELFA President and CEO Ralph Petta explained to attendees. “We convened an emergency meeting of the Executive Committee of the Board,” recounted Petta in his Convention remarks. Leadership

and staff agreed that “it was important to make this happen; that you wanted to network with your peers and receive important developments impacting the industry, your businesses and the world, but you also wanted to support the local economy and the many folks impacted by the storm.”

Outgoing ELFA Board Chair Mike DiCecco reiterated that the association was committed to contributing to the storm relief effort. “Our hearts go out to everyone who has been impacted by Hurricane Ian,” he said in his Convention remarks. “We put a lot of thought into whether and how to hold our Annual Convention. We are here because of all of you—and in the tradition of the ELFA Community’s commitment to ‘giving back,’ a portion of every Convention registration fee will be donated to Hurricane Ian disaster relief.” The



ge as Opportunity

association contributed \$25,000 to the [American Red Cross Hurricane Ian Relief Fund](#).

An impressive 904 attendees participated in the Convention—on par with the number of in-person participants at the 2021 Annual Convention. Over three days, attendees embraced the opportunity to learn, network and do business together.

Sessions Address Hot Topics

At the General Sessions, keynote speakers shared their perspectives on a range of issues relevant to the industry, all centered around the Convention theme, “Welcoming Change as Opportunity.”



Silicon Valley veteran Dex Hunter-Torricke

Silicon Valley veteran Dex Hunter-Torricke kicked off the Monday General Session, sharing his insights on the impact of future technology on business. He predicted that the next decade will be the most disruptive in human history, with trends like automation, AI and the metaverse forever changing the way we live, work and communicate. Hunter-Torricke encouraged attendees to prepare not by looking at the present and extrapolating into the future, but by thinking unconventionally. “Create space in your organization where you can think about more outlandish things,” he advised. Following his remarks, Outgoing ELFA Chair Mike DiCecco joined him on-stage for a Q&A session.

At the Equipment Leasing & Finance Foundation luncheon, Ginny Clarke, former Director of Executive Recruiting at Google, shared her insights on the future of work. Clarke encouraged companies to take proactive steps to increase their diversity, which research shows is an essential component of success. “Companies need lots of points of view around the



Ginny Clarke at the Foundation Luncheon

CONVENTION RECAP



Geopolitical strategist Peter Zeihan

table who represent different backgrounds,” she said, noting that more diverse organizations solve problems faster and reap more rewards. Following her remarks, Clarke participated in a Q&A session with Foundation Chair Nancy Pistorio.

At the Tuesday General Session, geopolitical strategist Peter Zeihan delved into how current events and trends in geography, demography, energy and trade are shaping the future, drawing on his new best-selling book *The End of the World Is Just the Beginning*. Zeihan then

responded to audience questions fielded by Incoming ELFA Chair Bob Neagle.

Industry professionals spoke at 13 concurrent breakout sessions on a wide range of hot topics affecting the industry, including transportation, the supply chain, new digital tools, climate financing and the Foundation’s new Horizon report on the size the equipment finance industry.

In addition, “People Power” sessions examined essential human capital and DEI issues. In advance of

the Convention, members of the Equity Committee, Emerging Talent Advisory Council and Women’s Council joined together via the “Colleague Connection” program to welcome first-time attendees. They reached out to more than 150 first-timers to share tips and answer questions to help them make the most of their first Convention experience.

Attendees also participated in numerous networking opportunities, including a combined People Power reception on Sunday evening followed by a Welcome Reception in the Exhibit Hall; an Exhibit Hall Reception on Monday evening; and a Closing Party and “After Glow” Reception on Tuesday evening.



2022 Board Chair Mike DiCecco

Huge Changes are Here, says DiCecco

In keeping with the theme “Welcoming Change as Opportunity,” Outgoing Chair Mike DiCecco focused



The Convention drew 904 attendees.



More than 40 exhibitors showcased the latest products and services in the exhibit hall.

his Monday morning Convention address on significant changes taking place in the equipment finance industry. He pointed to three major areas:

- **The Workplace.** As many organizations adapt to a new hybrid environment, they are looking for innovative ways to maintain community, culture and colleague engagement. “If ever we’ve been challenged to develop new ideas and goals for the workplace, that time is now,” he said.
- **The Competitive Landscape.** Amid a series of marketplace trends—from a continuing flow of new entrants into the industry, to a shortage of high-quality transactions, to climbing interest rates—members will be challenged to meet customer needs while also protecting their margins.
- **The Economy.** Supply-chain issues remain a top concern for manufacturers and ELFA member companies, and new threats—such as a recession—are looming.

“These changes are huge, and they demand a response from us,” said DiCecco. “But I want you to know, ELFA is already moving us in the right direction.” He shared a few examples from the past year.

The association’s continued focus on diversity, equity and Inclusion is advancing the association and industry in new and enriching ways. “Work by our Equity Committee, Women’s Council and Emerging Talent Advisory Council is transforming ELFA forever by broadening our outreach and sending the message that we support and actively pursue equal opportunity and growth for all,” he reported, adding that the



DiCecco passed the leadership torch to incoming Board Chair Bob Neagle.



**American
Red Cross**

Members Give Back

ELFA donated \$25,000 to the American Red Cross Hurricane Ian Relief Fund.

inaugural [ELFA Equity Forum](#) will take place Nov. 6-7 in Washington, D.C.

The new [ELFA Knowledge Hub](#), an online data source for business intelligence, allows members to find resources to help them do business in our quickly changing environment.

Participation in ELFA training and professional development offerings reached all-time highs in 2022, and the launch of [Career Pathways](#) offers members a step-by-step roadmap to career advancement.

DiCecco closed by sharing that 2022 marks his 30th year in equipment finance. Reflecting on his start as “an Equipment Finance Credit Guy” in the 1990s, he showed throwback photos from the time. “If ELFA helped that guy on the screen with an awesome mustache to advance through a 30-year career in equipment finance, what could it do for your colleagues?” he asked with a chuckle. He thanked ELFA for three decades of learning, leadership development and personal growth, culminating in the opportunity to serve as Chair. “Thank you again for an unforgettable year.”

Petta Announces New Strategic Plan

ELFA President and CEO Ralph Petta began his “State of the Association” address on Tuesday morning with a heartfelt greeting. “I want to thank every one of you for being here,” he said. “Last year was our first-in person convention after skipping the 2020 in-person event because of COVID. And here we are in 2022, in Orlando instead of Marco Island, getting chased by another life-altering event—Hurricane Ian.”

He thanked the attendees, sponsors, exhibitors, partners and vendors for their support, with a special shout-out to the association staff. “Permit me to brag on my colleagues on the ELFA staff for pulling this thing off. What typically takes six months happened in about six days! Rock stars, every one of them!”

CONVENTION RECAP



President and CEO Ralph Petta

Petta then turned his attention to the future of the association. He recounted the effort over the past year to build a new, long-range Strategic Plan that will guide the association's activities and priorities over the next five to seven years (learn more in the story "Future Focus"). He shared highlights from the extensive member research that has been incorporated into the new plan.

Among the top areas of concern reported by members are **workforce issues**, including access to training and development to help individuals grow personally and professionally through-

out their careers. ELFA is working to foster more engagement with employees at every level through its new Career Pathways program and enhanced virtual opportunities, said Petta. "We want training and attendance at ELFA events to be affordable for all members. And we are taking concrete steps to make that happen."

Managing the risks associated with **ESG (Environment Social and Governance)** is also top-of-mind for members. Petta reported that ELFA recently submitted a comment letter to the International Sustainability Standards Board on a set of proposed standards recognizing ESG and its impact on our industry. The association will be developing more content in this area in the coming year.

Advancing **diversity, equity and inclusion** is another key goal for members. "ELFA will continue its efforts in DEI, encouraging involvement in the affairs of ELFA, in our governance, and bringing events and networking opportunities to help members broaden the talent and ideas that create their success," said Petta.

The **economy** is also a key focus area for members. To cope with inflation, interest rate volatility and the possibility of recession, members need up-to-the-minute business intelligence to keep their companies agile and competitive. ELFA will continue to build out the Knowledge Hub to help members access the latest business intelligence in every area of the industry. Other critical areas where ELFA will focus its attention include **federal and state advocacy** and **technology**.

"You've told us about these challenges, and we're listening to you," said Petta, in closing. "We're going to be here with you now and into the future, advocating on your behalf, and bringing the tools, events, education, business intelligence and opportunities all designed for a singular purpose: to support your continued success. That's why we're here. Now, and 10 and 20 years from now."

Save the date: The 2023 ELFA Annual Convention will be held Oct. 22-24, at the JW Marriott Phoenix Desert Ridge in Phoenix, Arizona. [E](#)



AMY VOGT is ELFA VP, Communications and Marketing.



Michael J. Fleming Distinguished Service Award winner Brittany Ogden



Community Service

Convention attendees brought music to the lives of local students by participating in the Build-a-Guitar community service project. Thanks to the generosity of member sponsors and hard-working volunteers, ELFA assembled 15 guitars for local students and made a financial donation of \$15,000 to the Sea Turtle Conservancy, dedicated to saving sea turtles through research, advocacy and education.



Musical Inspiration

The conference kicked off with a rousing musical performance of "Don't Stop the Leasing" by ELFA's own Financial Statement Band. Clockwise from top left: Musicians included Chris Enbom, Paul Bent, Alexa Carnibella, Mike Coon, Nate Gibbons and Ralph Petta.



Breakout sessions covered a variety of hot topics.

Convention Recordings

- For recordings of Convention sessions, visit the Conference Resource Center at www.elfaonline.org/events/conference-resource-center.
- For photos and videos, visit www.elfaonline.org/AC and click on Media.

Future Focus

ELFA is rolling out a new strategic plan that will guide the association's activities and priorities over the next five to seven years

By Ralph Petta

THE EQUIPMENT FINANCE INDUSTRY is undergoing change constantly. As we reported at the ELFA Annual Convention in Orlando, ELFA is committed to making sure we're looking ahead to help our members thrive and succeed. That's what our new long range strategic plan is all about.



Earlier this year, ELFA asked McKinley Advisors, a consulting firm that focuses exclusively on organizations like ours, to lead our Board and staff through the development of a new long-range strategic plan. To do that, McKinley conducted qualitative interviews with a number of leaders in ELFA member companies. They then performed an exhaustive member survey, building on those interviews.

Here's the good news: McKinley found that 9 out of 10 members think ELFA is delivering value, and you're very satisfied with our value proposition. So, it's terrific that you're happy now. But, we want to make sure that continues, that the association remains relevant and valuable to you in the future and that we continue to listen to and respond to your needs.

Over the past six months, McKinley took the information they gathered and analyzed it against the backdrop of current and developing trends in our economy and environment. They also conducted a strategic planning session at our August Executive Committee meeting and solicited input from a Board of Directors Strategic Planning Work Group.

At the October Board meeting, with McKinley's help,

our Board members and staff put the finishing touches on a new long-range strategic plan that will serve as a roadmap for where our association is going over a five-to-seven-year period. The new plan specifies strategic goals in five key areas:

- **Advocacy** - Advance the legislative and policy interests of our members and the industry.
- **Business Intelligence** - Deliver data-informed insights that contribute to members' success.
- **Industry Awareness and Impact** - Raise awareness about this critical and evolving industry as an essential economic driver.
- **Member Engagement** - Meet the needs of members at every career stage and member organization.
- **Training & Education** - Create and deliver outstanding and timely content for all members.

We are excited about the goals and outcomes outlined in the plan, and we think you will be, too. For example, we will continue to set the industry standard for top-rated education, training and leadership development resources for smaller organizations and new hires, as well as for larger companies and all levels of ELFA professionals, from early- to mid-career to the C-suite. We will continue to find ways to improve our legislative and regulatory monitoring and communication to ensure that our voice is heard. We will promote and advance diversity, equity and inclusion in every area of our work. And we will work to help you identify and implement technology solutions critical to advancing your business objectives.

And that's not all. Stay tuned for more information as we implement the new plan. To view the plan in full, go to www.elfaonline.org/StrategicPlan.



RALPH PETTA is the President and CEO of ELFA. This article draws on his remarks at the 61st ELFA Annual Convention in Orlando.

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New Survey Reveals Industry Pay Trends

By Amy Vogt

COMPENSATION IN THE EQUIPMENT FINANCE INDUSTRY returned to steady increases in 2021, according to the 2022 Equipment Leasing and Finance Compensation Survey. New business volume increased over 7% in 2021 after a notable decline in 2020 — and compensation followed a similar trend. The survey is part of the Knowledge Hub, ELFA’s source for business intelligence on the equipment finance industry.

The 2022 Equipment Leasing and Finance Compensation Survey measures compensation rates for the 2021 fiscal year as reported by more than 80 equipment finance companies representing a cross section of the equipment finance sector, including independent, bank and captive equipment finance companies. Firms provided data for more than 90 executive, front-office and support positions and 10 levels of seniority, including a breakdown of salary (for 2021 and 2022), incentives (including cash bonuses and commissions), long-term awards and total compensation by company type. The survey is a collaborative initiative between ELFA and McLagan, a performance/reward consulting and benchmarking firm for the financial services industry.

Highlights from the 2022 Equipment Leasing and Finance Compensation Survey include:

- **Total Compensation:** Total compensation increased on a year-over-year basis for most functions and levels. On a “same store” basis (constant incumbents in multiple survey years), total compensation was up approximately 4-6% at median for key revenue-generating functions from 2020 to 2021.
- **Salary:** On a “same store” basis, salaries for origination roles increased (~2-3%) at the median from Entry through Senior Expert levels.

- **Differences by Level:** Total comp increases increased notably (~5-10% increases) across all levels from the Entry through Expert levels at the median. Total comp increases were even higher at Senior and Managing Expert levels (over 10%).
- **Leadership:** At the Executive level, cash bonuses for the 2021 performance year accounted for 40% of Executive compensation while long-term awards accounted for 24%. Total incentives, both cash bonus and long-term awards, as a percent of salary were 174% at the median.

For a complete copy of the 2022 Equipment Leasing and Finance Compensation Survey report, please visit <https://bit.ly/2022ELFACompSurvey> or contact Bill Choi at bchoi@elfaonline.org.

Note: Survey results are only available for purchase by firms who commit to participation in the 2023 survey. All participating firms are required to sign a non-disclosure agreement with McLagan for data privacy purposes.

Learn more about the Knowledge Hub, ELFA’s source for business intelligence on the equipment finance industry, at www.elfaonline.org/KnowledgeHub. ☰

AMY VOGT is ELFA VP of Marketing and Communications.



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Federal Cannabis Banking Reform: What Happened?

IN MID-JULY 2022, the United States House of Representatives passed provisions that would allow legitimate cannabis-related businesses to access federally regulated financial services. This marks the seventh time the House has approved a version of the Secure and Fair Enforcement (SAFE) Banking Act. The original version of federal cannabis banking reform was introduced nine years ago by Rep. Ed Perlmutter (D-Colo). The passage of the SAFE Banking Act, either as stand-alone legislation or as amendments attached to must-pass bills, would prohibit federal banking regulators from penalizing a federally regulated depository institution for providing banking services to cannabis businesses. Presently, cannabis businesses are essentially deprived of federally regulated financial services, which include the ability to raise capital, obtain loans and process payment.

It is expected that this most recent attempt by the House to implement cannabis banking reform, which came in the form of an amendment to the 2023 National Defense Authorization Act, will once again face significant hurdles in the Senate where all prior attempts have failed. With Rep. Perlmutter's impending retirement likely occurring without cannabis banking reform, those in the cannabis space are left questioning the reason for the hold-up. The proponents claim that without reform, the cannabis industry, which is estimated to exceed \$30 billion to 2022, will be forced to operate primarily in cash or through a few state chartered banks and credit unions for a premium. Others in the space are not troubled by the lack of progress in securing access to federally backed financial institutions. These differing opinions question raise the question of whether reform is necessary and, if so, why has it stalled?

Does federal bank reform matter?

Election Day 2022 will mark the 10-year anniversary since the first states in the union—Colorado and Washington—decriminalized or legalized cannabis operations within their respective jurisdictional boundaries. Today, 39 states permit cannabis operations and use in some capacity, with more anticipated following the upcoming 2022 election. Similarly, a November 2021 Gallup poll found that 68% of the American public supports cannabis legalization. Despite these growing numbers, the federal government has been hesitant to take formal action on legalizing cannabis. The repercussions of the federal government's failure to act are so apparent that Supreme Court Justice Clarence Thomas—one of the Supreme Court's most conservative justices—issued a statement in *Standing Akimbo, LLC et al. v. United States (2021)* 594 U.S. that federal cannabis laws may be outdated due to the government's "piecemeal approach" to regulation.

Despite remaining a federally illegal product, the existing

federal policy on cannabis does not prohibit financial institutions from providing services to businesses in the industry. Instead, most financial services providers are voluntarily opting not to participate in the market due to the multiplicity of legal risks and compliance costs. Indeed, presently, only about 700 of the 5,000+ commercial banks in the United States provide financial services to cannabis operators. More specifically, currently, in order to offer banking services to cannabis operations, financial institutions must navigate a labyrinth of anti-money laundering laws. For instance, under the Bank Secrecy Act (BSA), financial institutions are subject to various recordkeeping and reporting requirements and must file a Suspicious Activity Report (SAR) to the Financial Crimes Enforcement Network (FinCEN) whenever there is a suspected case of money laundering, fraud or use of funds stemming from federally illegal activities—like a cannabis operation. The regulations under the BSA, Controlled Substances Act (CSA) and other federal statutes also subject financial institutions to enforcement actions and severe civil monetary fines for providing services to federally illegal enterprises. Compliance with these laws require banks and other financial institutions to essentially function as drug enforcement agencies if they choose to provide banking services to cannabis operations.

Recently proposed banking reform would alleviate many of the financial institutions' concerns regarding transacting with cannabis-related businesses by providing several protective measures, including:

- Prohibiting federal bank regulators from restricting, penalizing or discouraging a financial institution or depository institution from providing banking services to a legitimate cannabis-related business;
- Establishing that transactions involving proceeds from legitimate cannabis-related businesses are not proceeds of unlawful activities and thus, not within the purview of anti-money laundering regulations;



- Establishing that depository institutions are not, under federal law, liable or subject to asset forfeiture for providing loans or other financial services to legitimate cannabis-related businesses;
- Prohibiting a federal banking regulator from requesting or ordering a depository institution to terminate its customer relationship with a cannabis-related business unless the agency has a legitimate reason not based on reputational risk; and
- Amending the reporting requirements for SAR and requiring FinCEN to issue guidance on transactions related to cannabis-related businesses that is “consistent with the purpose and intent of the SAFE Banking Act of 2021 and does not significantly inhibit the provision of financial services” to said businesses.

As we approach the 10-year anniversary of state-initiated legalization, the U.S. is no closer to cannabis banking reform, despite growing bipartisan support.

These changes would not only provide banks with the level of comfort necessary to enter the market but would also allow for the use of payment processing networks, like Visa and Mastercard, for business-related transactions (currently, Visa’s position is that use of cashless ATMs by cannabis dispensaries violates its service rules).

While reform would be preferred by many, some argue it is not necessary. Due to widespread state cannabis legalization and public support for decriminalization, the number of financial institutions—namely credit unions and state-chartered banks—that recognize and respond to the substantial business opportunities offered by this industry are accelerating at an impressive rate. However, even with some credit unions and state-charted banks supplying these services, this does not address payment processing issues. Furthermore, these typically smaller financial institutions have limits on deposits to ensure adequate capitalization.

Why has reform not occurred yet?

Congress is not without options to address the cannabis quandary. For example, it could revise the BSA by creating an exemption for financial institutions providing services to cannabis operators that are in compliance with state and local law—as proposed by the SAFE Banking Act. Or Congress could deschedule cannabis as a federally illegal drug under the CSA. Many in the cannabis industry believed either of these changes would have

occurred by now. However, as we approach the 10-year anniversary of state-initiated legalization and nine years since federal reform was first proposed, the United States is no closer to cannabis banking reform, despite growing bipartisan support and lobbying efforts from organizations and businesses, including the American Bankers Association, the American Financial Services Association

and the Credit Union National Association. This delay begs the question—why is the cannabis industry still in limbo when it comes to the provision of financial services despite what appears to be widespread bipartisan support, at least in the House?

For whatever reason, the July 2022 version of the SAFE Banking Act has yet to make it to the Senate floor for a vote, wasting away in various committees until this year’s version of the bill is essentially dead. While Republicans have begun to come around to cannabis law change, particularly with respect to banking reform, Democrats have moved away from singularly addressing banking and, instead, are focusing on full federal legalization that includes components of both a banking bill and social equity, a concept that intends to use cannabis legalization to address those communities disproportionately impacted by the War on Drugs. In doing so, Congress has introduced no fewer than three cannabis-related bills this year in addition to the SAFE Banking Act. With competing bills, legislators’ support has been split, resulting in yet another year of unwarranted deadlock that continues to harm the cannabis industry.

While the SAFE Banking Act may not resolve all the issues related to cannabis, banking reform would still be a great victory for the cannabis industry. It would also signal the beginning of federal de-stigmatization of the product, promote public safety by discouraging participation in the illicit cannabis market, and help cannabis-related businesses comply with tax laws. Congress would be wise to heed the cries of both the cannabis and banking industries and focus on at least passing banking reform in an effort to legitimize and regulate the cannabis industry. ☰



WHITNEY HODGES is a Partner at Sheppard Mullin Richter & Hampton LLC.

Highlights from the 2022 Lease & Finance Accountants Conference

THE ELFA LEASE & FINANCE ACCOUNTANTS CONFERENCE returned to a live, in-person event in September. Since the late 2000's, the conference has been dominated by the major changes in accounting that were either under discussion, recently adopted or being implemented when the conference was held. Leases, revenue recognition and CECL were major topics during those years. The 2022 conference agenda reflected a more stable but still challenging accounting environment as these standards have now been adopted by most companies.

In total there were 27 sessions at this year's conference, including joint sessions with the Operations & Technology Conference, which was co-located in New Orleans on Sept. 12-14. The subject matter of the sessions included current issues in lease accounting, business trends impacting lessors and the future of investor reporting.

What is on the horizon?

There were two sessions at the conference that addressed the future of accounting and reporting. The first was the presentation by Financial Accounting Standards Board member Gary Buesser. Among the topics Mr. Buesser covered were:

- The Board's agenda consultation project that led to: redefined projects on income tax disclosures and income statement expense breakdowns; and new projects on the accounting for digital assets, software costs and environmental credit programs;
- Recent developments related to the *Leases* standard, including the post implementation review process and the move to address questions arising from leases with related parties; and
- The accounting for investments in tax credit structures, which is essentially a limited expansion of the level yield amortization model that exists currently for low-income housing credit investments.

The second session dealing with the future of reporting was the presentation by Max La Merle, Staff member of the International Sustainability Standards Board (ISSB). The ISSB is part of the Environmental, Social and Governance (ESG) system. It was recently formed to develop a uniform set of sustainability reporting standards. The impact on U.S. companies of the ISSB's efforts at this time is indirect, but it is likely to grow with time. During the session Mr. La Merle covered:

- The formation of the ISSB under the umbrella of the IFRS Foundation;
- The scope of work they are undertaking; and
- The recent exposure drafts on general requirements for sustainability and climate disclosures.

The ISSB's two exposure drafts focus on the information needs of investors and the potential impact of sustainability risks on enterprise value. It was noted that ELFA had submitted a comment letter to the ISSB on the exposure drafts. Given our input, the process the ISSB will go through to collect the comments for review was discussed, including the use of machine reading technology by the staff to wade through the large number of comments the ISSB has received.

While the work of the ISSB may impact ELFA members in the future, the "E" in ESG is already impacting leasing and lease accounting. This timely subject was covered in a separate session. If a company takes an action to change the nature of its leasing activities in order to improve how investors judge its environmental footprint, questions may arise related to whether the new arrangement is or contains a lease or whether lease reclassification, modification, or impairment event has occurred. This topic was also the subject of a recent [Financial Watch article in the October issue of this publication](#).

What are some of today's issues?

The questions companies are addressing today are varied and at the conference the following subjects were covered:

- **The differences between leases and service arrangements:** The question of which transactions are included in lease accounting and which are services is an important scope question for both lessees and lessors. For a lessor, if a transaction



Joint opening session of the Lease & Finance Accountants Conference and Operations & Technology Conference in New Orleans.

contains a lease and a service component the transaction is subject to two sets of accounting requirements: one for leases and one for revenue recognition. Some lessor/service providers would prefer to be under one accounting model and consequently seek to have a transaction be wholly within one standard. This matter was discussed at length during the session.

- **The accounting for sale leasebacks and build-to-suit transactions:** ASC 842 brought significant changes to sale leaseback accounting. Whether a build-to-suit transaction is simply a lease or whether it is a sale leaseback transaction is an important question for lessors. The session worked through examples of control and other related issues, such as the significant impact of seller-lessee purchase options on the accounting for sale leasebacks.
- **Adoption of the *Leases* standard and Day 2 issues:** For many companies, the *Leases* standard is not fully in the rearview mirror, and the last wave of companies—private companies—are in the process of adopting ASC 842. This session walked through technical and operational difficulties during the implementation of the standard related to lease identification, discount rate, lease term and presentation and disclosure requirements.
- **Other current issues for lessors:** A number of questions came up in this session, including the impact of ASU 2021-05 on the accounting for leases with variable lease payments, and the accounting for interim rent payments in failed sale leasebacks. The question of the accounting for

equipment finance agreements (EFAs) was also covered. EFAs are a common product for finance companies to offer. The terms of EFAs need to be analyzed in order to determine whether they fit into lease or loan accounting.

What else was covered?

In addition to these topics, there were sessions at the conference that addressed:

- Accounting for loan and lease credit losses (CECL),
- How the accounting for a target company's existing leases is impacted by an acquisition,
- Capital market developments and funding considerations for finance and leasing companies,
- How business trends, including labor shortages, supply chain issues and inflation have been impacting finance companies,
- Current developments related to Federal income taxes,
- Receivables and payables processing trends and developments, and
- Lease and loan pricing theory and practice, at both the introductory and advanced levels.

If you missed the conference and wish to learn more about the topics that were covered, copies of the session handouts and audio recordings are available on ELFA's [Conference Resource Center](#) (free to attendees and for a fee for non-attendees). ☰



JOHN BOBER is Managing Member of IXL Lease Advisory Services, LLC and is the Chair of the ELFA Financial Accounting Committee.

Lessons from the 2022 Mid-Term Elections

AS THIS ARTICLE GOES TO PRESS, there are still many House and Senate races at the federal level yet to be called, and it's looking likely that the House will be under Republican control by a handful of seats and the balance of power in the Senate will come down to a runoff in Georgia.

This article is going to focus on what lessons we can take from the 2022 elections and close with what it may mean for the policy agenda for the next two years.

First, polling isn't the problem; interpretation of polling is the problem. No reputable prognosticator put the odds of Republicans having a small majority and the Senate margin being razor thin outside of their range of possible outcomes. The issue is that we seem to forget every two years that polls showing Candidate A having 51% and Candidate B having 49% does not mean that the Candidate A is going to win. We've forgotten that not only is there a significant margin of error in any political poll, but there are assumptions inherent in the poll results where even small deviations between the assumptions and reality can have huge implications. The political media's bias toward reporting on the so-called horse race is no small factor in this phenomenon. Annie Duke has a great book called *Thinking in Bets*, where she talks about the human mind's natural tendencies to misinterpret probabilities. One of the takeaways is if someone says that there is a 70% chance of something happening, don't be surprised if, in any given instance, the 30% chance comes true. (If you have 1,000 loans and you've priced in a 30% default rate, would you be surprised when 300 loans defaulted? Put in different terms, if someone told you there was a 30% chance that if you went swimming, you'd get bitten by a shark, you'd think hard about enjoying the view from the beach.)

Second, if the Florida recount in 2000 taught us anything, it is that we have a system of 50 individual elections, and in the House of Representatives, we have 435 individual elections governed by 50 different sets of election laws. Each of these elections brings different dynamics. Many states now have early voting that allows people to vote in early October. This means that while events may change the perception of how a race is going, millions of votes could have been cast before those events occurred. Additionally, while national trends can certainly affect each of these elections, it is foolish to believe that the same factors that affect a House race in upstate New York are the

determinative factors in a House race in Alaska that utilizes ranked choice voting.

Third, candidates matter deeply. Ron Brownstein is credited with saying that Americans are increasingly voting based on the color of the jersey rather than the name on the back. This election showed that may be a trend all else being equal, but all else is never equal. The fact that gubernatorial candidates in New Hampshire, Pennsylvania and Georgia ran so far ahead of the Senate candidate of the same party that they shared the ticket with shows that we haven't become a parliamentary system yet, even if the trends are in that direction.

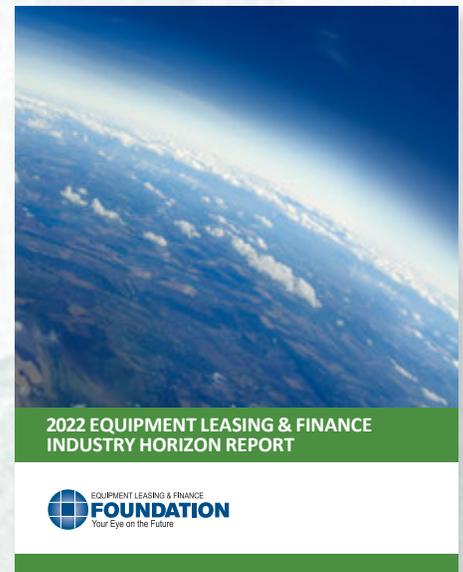
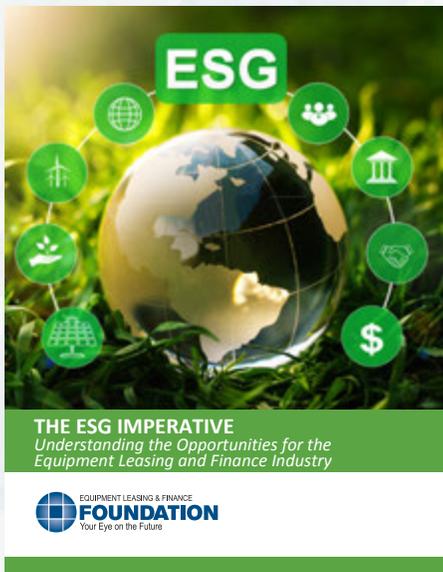
Lastly, this election will be over-interpreted by many. There are lessons to be learned for sure (e.g., New York Democrats vastly overplayed their redistricting hand and likely ended up costing themselves almost the exact amount of seats that will determine control of the House of Representatives). To interpret national trends based on elections in 50 different states is dangerous work, but that doesn't mean people won't do it.

So, what do the election results mean for the equipment leasing and finance industry? The next two years are going to be messy at the federal level. One issue that is likely to be really messy is the raising of the statutory debt ceiling. Considering the role that Treasury securities play in debt markets that are already frothy, this could have huge implications. The results also mean that from a true policy perspective, divided government usually means gridlock and not much is going to change. With House Republicans controlling the oversight levers, expect a lot of light; the question is, "how much heat will there be?" Lastly, if you haven't heard it already, you read it here first: Welcome to the 2024 presidential election cycle! ☰



ANDY FISHBURN is ELFA Vice President of Federal Government Relations.

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2022 State Elections Forecast by the Numbers

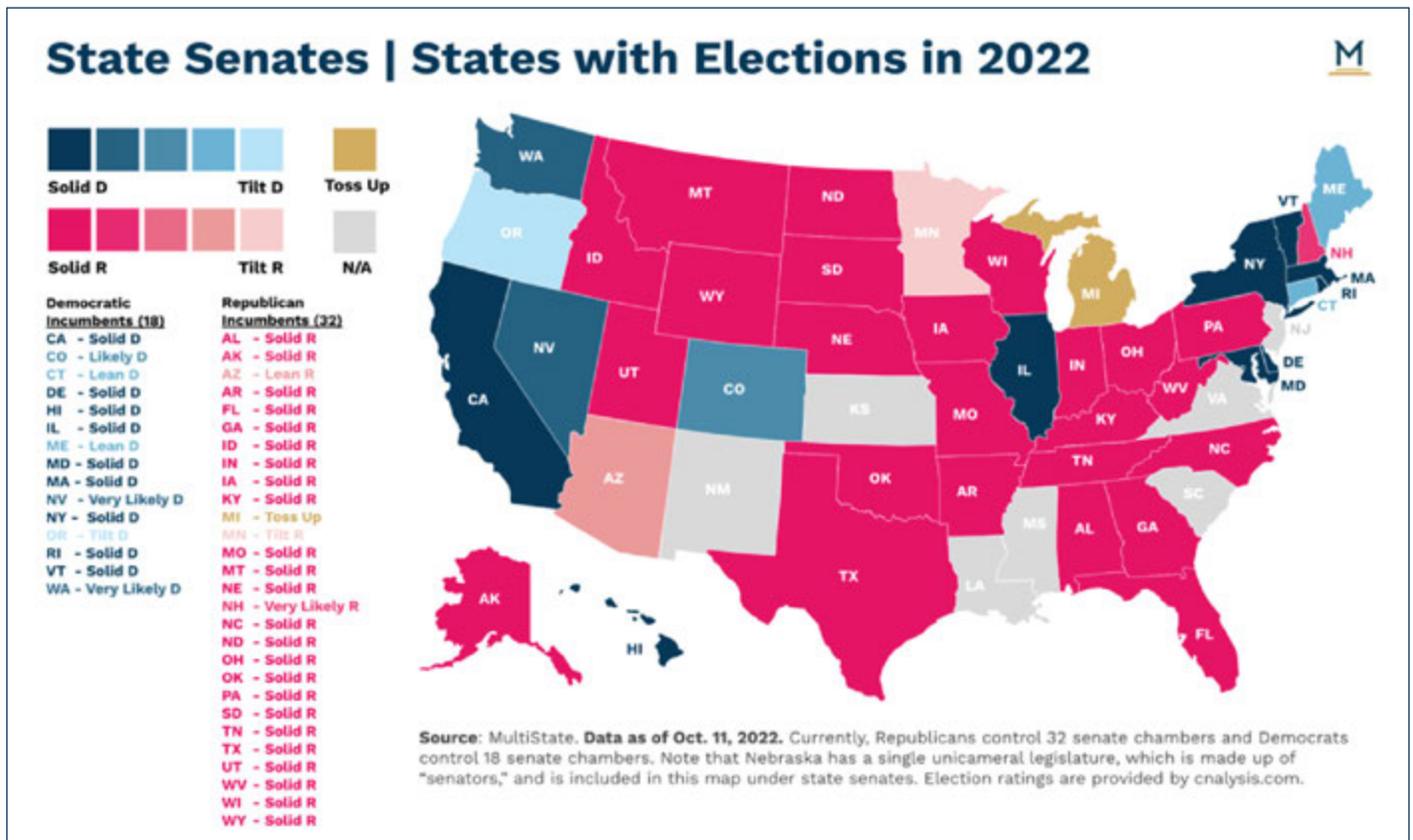
This issue of EL&F magazine was in production about two weeks before the midterm elections. Below is an overview of the election outlook at press time.

- **Governors:** On Nov. 8, gubernatorial seats in 36 states are up for election.
- **Legislatures:** In 2022, legislative seats in 46 states are up for election, amounting for 6,166 of the 7,383 lawmakers. That's 84% of all state lawmakers. Of the 99 state legislative chambers, 88 will hold elections in 2022.
- **Ballot Measures:** Voters will decide on 140 statewide ballot measures, which have been certified for the 2022 ballots in 38 states.
- **Lieutenant Governors:** This year, lieutenant gubernatorial seats in 30 states are up for election.
- **Attorneys General:** AG seats in 30 states are up for election this year.
- **Secretaries of State:** This year, secretary of state seats in 27 states are up for election.

Governors

On Nov. 8, gubernatorial seats in 36 states are up for election. Of these, 20 are currently held by Republicans and 16 are currently held by Democrats.

Keep a close eye on the gubernatorial races in Arizona, Nevada, Oregon and Wisconsin, which are all rated as toss-ups by the state elections forecasters CNAlysis. Additionally, the races in Maine, New Mexico, Kansas and Pennsylvania are expected to be close.



Most of the races that are forecast as toss-ups or slight leans are positions currently held by Democrats, including Nevada, Oregon, Maine, New Mexico and Wisconsin. Only one race forecast as a toss-up — Arizona — is currently held by Republicans. If the electorate skews towards Republicans in November, Democrats could see their control of 22 governorships shrink substantially.

Forecasters expect the two gubernatorial seats in dark-blue Maryland and Massachusetts, currently held by popular but term-limited moderate Republicans, to flip back to Democratic control. And Republicans are slightly favored to win back the governor’s mansion in Kansas from incumbent Democrat Laura Kelly.

Legislatures

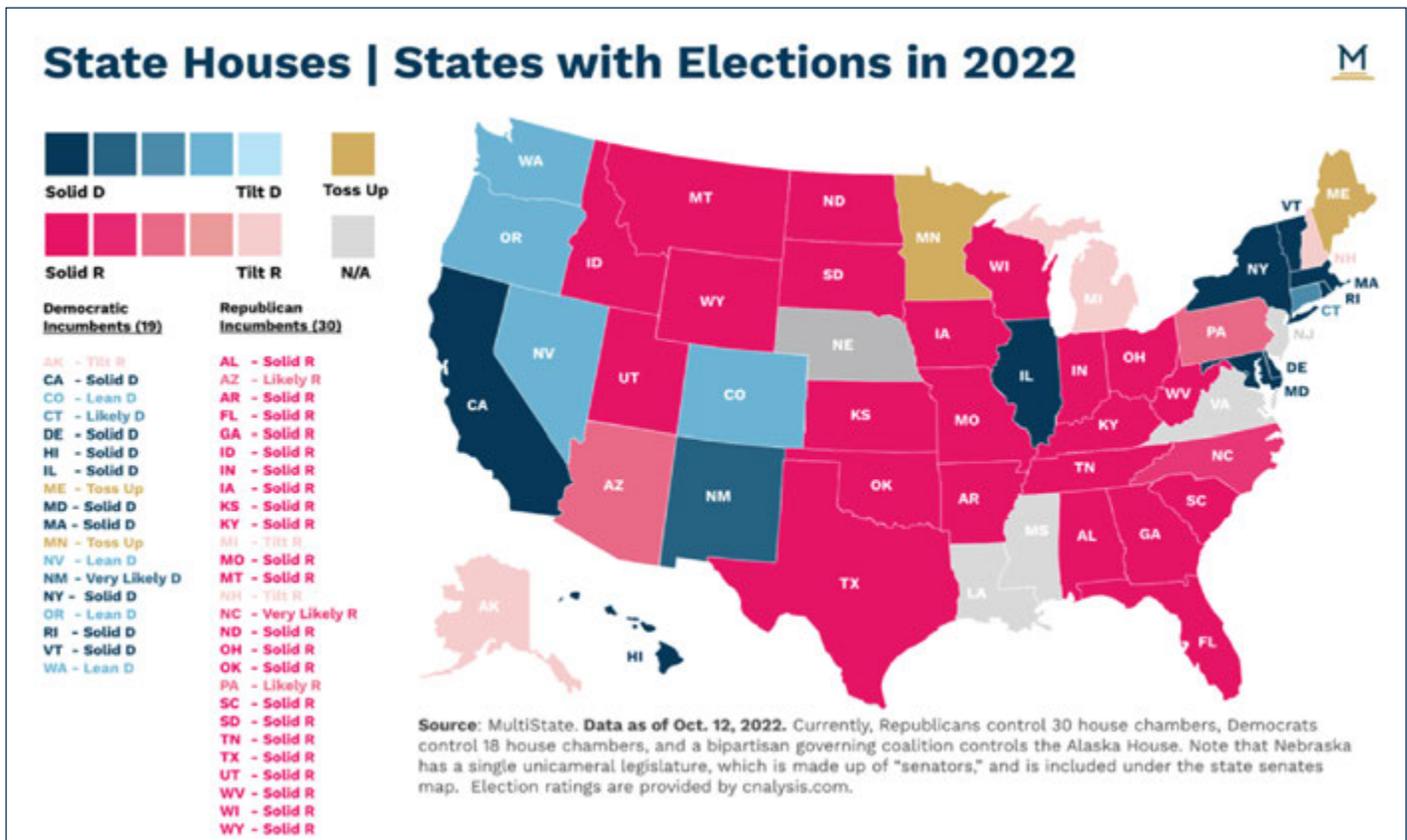
Currently, Republicans control 30 state legislatures and Democrats control 17 state legislatures. Legislative control occurs when the same party controls both chambers of the legislatures

in states with two chambers. A split legislature is one in which different political parties control the senate and the house—this is the case in three states.

On Nov. 8, 2022, 6,166 legislative seats in 46 states are up for election. That’s 84% of all state lawmakers (and special elections for vacant seats will increase that number). Of the 99 state legislative chambers, 88 will hold elections in 2022. Of the 46 states with legislative elections in 2022, 16 are controlled by Democrats, 28 are controlled by Republicans and two are split government. Only four states don’t have any legislative elections (house or senate) in 2022: Louisiana, Mississippi, New Jersey and Virginia. [E](#)



For more information, contact ELFA Vice President of State Government Relations **SCOTT RIEHL** at sriehl@elfaonline.org.



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CHARLIE VISCONAGE is Director of Marketing, Communications and Development for the Equipment Leasing & Finance Foundation.

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Building a Global Vendor Finance Company in a Post-Pandemic Environment



AS THE WORLD BEGINS TO MOVE PAST THE PANDEMIC, leaders should not proceed without reflection. COVID-19 fundamentally altered how people interact, work, socialize and learn. Companies that ignore this new norm will face extreme headwinds, while the ones that embrace these changes will find it imperative to surviving the next normal.

I will never forget the morning the world shut down; I was at a customer event, and all my efforts were on the logistics of getting everyone home safely. I remember sitting in my office early Saturday morning, wondering what was happening. As the CEO of a global vendor finance company, I'll admit that I initially struggled with what to do next. The news and speculation

only added more confusion. Once I was confident my family members were safe, I began focusing on our employees and customers. How long will this last? How can we communicate? How will we motivate and inspire in this new reality?

Pre-pandemic, I was accustomed to being surrounded by people all the time. I would fly around the world, attending meetings and other events. I'd converse with whoever was in my immediate vicinity and could grab some time with me, and then I'd hop on a plane and head off to my next destination. That was then; this is now.

When the world stopped, it left me in a vulnerable position as a business leader. Suddenly, I felt very alone, and my team depended on me to figure things out. All I knew was that we needed to get everyone focused on what they could control and influence. We had to make sure our customers knew we were there for them, and we needed to be a source of inspiration and hope in an uncertain time.

I knew that communication was key even if we didn't have all the answers, so I began filming videos with my iPhone every Sunday morning to provide the organization with weekly updates. I wanted everyone to have a purpose and stay focused on the customer, as well as each other. We were all in this together, so I tried to humanize the happenings around the world, and let them know that it was OK to show some vulnerability. This became a very effective tool, and soon most leaders were following this example.

Over a year later, we had an 83% viewer rate each week, so our members expected these updates. The pandemic helped me connect with more people than I ever had in the past. Video calls allowed me to see hundreds of more leaders than I originally knew. New talent emerged, new ideas became policy, and overall, our company became more of a family.

How to Succeed in a Post-Pandemic Environment

The pandemic proved that companies willing to foster genuine connections, implement new technology, and embrace remote work environments could achieve success. However, many of our competitors didn't survive because they were incapable of adapting to these crucial changes. To thrive in the next normal, companies should focus on these three key adaptations:

1. Embrace a hybrid working model.

I used to have an old-school attitude toward remote work. If I heard that someone was working from home in the U.S., I assumed they were playing golf, not putting in a full day.

Fast forward to 2022, and it is now acceptable to work from home—even expected. It is not uncommon to be in a board meeting and hear a dog bark, a child talk or a doorbell ring as the mail carrier drops off packages. Our customers accept this, and so should leaders. This is the reality of the next normal, and people are more accepting of each other. No one wants to go back to an office full time, so why force it?

2. Train employees to put customers first.

Businesses were focused on cutting costs during the pandemic, and many decisions were made at the expense of customers and employees. Even coming back to a typical work environment post-pandemic, some organizations refuse to reinvest in their workforces. In my opinion, they're putting their reputations and success at risk.

Today, companies that invest heavily in the customer experience achieve greater success. At PEAC Solutions, we empower employees to make every customer feel like they're our only customer. We train everyone to exceed expectations and give employees the authority to make decisions. As a result, our teams are even more motivated because they know that we have complete trust in them.

In the new hybrid world, managers are no longer daily babysitters; they're coaches. When you trust your team, you can expect them to do the right thing with the understanding that failure can happen. "Fail" means "first attempt in learning," and you want employees to feel empowered to make decisions based on what they believe is right. Even if it isn't, it becomes a learning experience.

3. Bring challenges to employees to keep them engaged.

The most significant benefit of starting a new global company is that you are not handcuffed to legacy systems and business processes. New ideas are expected.

Old processes are challenged. Every member is expected to contribute and invent new ideas.

This entrepreneurial mindset needs to exist for all sizes of companies, including yours. Create an environment that allows for testing new ideas and creating better ways to serve customers. At PEAC Solutions, we are teaching employees to think like disruptors and challenging them to be part of building the most flexible, customer-focused leasing company in the world.

Becoming an Employer of Choice

As the next generation enters the workforce, they will be drawn to companies that meet their expectations. The old ways of working won't cut it. I know this firsthand—I have a Gen Z daughter. She can multitask at a level I've never seen before: She can listen to Taylor Swift, eat dinner, watch "Friends" and read her history book all at the same time while retaining what she's learning.

She wouldn't want to work for a company the way mine used to operate, with cubicle work, hour-long commutes, manual tasks, etc. Like many other companies, we had to make some drastic changes during the pandemic. Those fundamental business processes and operational shifts are why we were able to keep business moving.

I envision that companies in the future will continue to have brick-and-mortar locations. However, they will be on much smaller scales and used primarily to socialize, train and build team culture. Employees will be drawn to companies that encourage hybrid work options. My suggestion to business leaders is this: Embrace change, let all employees have a voice, communicate regularly and don't fear failure. Then, success can be in your future. ☰

BILL STEPHENSON is the Global CEO of [PEAC Solutions](#), which provides capital solutions for small businesses worldwide.

2023 ELFA Calendar of Conferences, Workshops and e-Learning Opportunities

FEBRUARY

February 16, 2023
Innovation Roundtable
Virtual • 12pm Central

February 26-28, 2023
Equipment Management Conference & Exhibition
Orlando World Center Marriott
Orlando, FL

MARCH

March 8, 2023
22nd Annual IMN/ELFA Investors Conference
Union League Club
New York, NY

March 14-16, 2023
34th Annual National Funding Conference
Palmer House Hilton
Chicago, IL

March 14, 2023
Bank Best Practices Roundtable
Captive and Vendor Finance Best Practices Roundtable
Independent Best Practices Roundtable
Small Ticket Best Practices Roundtable
Palmer House Hilton
Chicago, IL

March 26-28, 2023
Executive Roundtable
Omni Amelia Island Resort
Amelia Island, FL

APRIL

April 3-4, 2023
Women's Leadership Forum
Palmer House Hilton
Chicago, IL

April 26-28, 2023
Principles of Equipment Leasing and Finance Workshop
ELFA Headquarters
Washington, DC

MAY

May 7-9, 2023
Legal Forum
Marriott Sanibel Harbour Resort & Spa
Fort Myers, FL

May 18, 2023
Innovation Roundtable
Virtual • 12pm Central

May 24, 2023
Capitol Connections
Hilton Washington DC Capitol Hill
Washington, DC

JUNE

June 7-9, 2023
Credit and Collections Management Conference & Exhibition
Hilton Palacio Del Rio
San Antonio, TX

June 22-23, 2023
Tax Best Practices Roundtable
Offices of Huntington Equipment Finance
Cleveland, OH

JULY

July 2023
Emergence2023

AUGUST

August 10
Innovation Roundtable
Virtual • 12pm Central

SEPTEMBER

September 11-13, 2023
Operations & Technology Conference & Exhibition
Sheraton New Orleans
New Orleans, LA

September 11-13, 2023
Lease and Finance Accountants Conference
Sheraton New Orleans
New Orleans, LA

September 11, 2023
Emerging Talent Networking Event
Sheraton New Orleans
New Orleans, LA

OCTOBER

October 22-24, 2023
62nd ELFA Annual Convention
JW Marriott Phoenix Desert Ridge Resort & Spa, *Phoenix, AZ*

NOVEMBER

November 9, 2023
Innovation Roundtable
Virtual • 12pm Central

November 2023
Equity Forum



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ELFA instructors have been introducing equipment finance company employees to the basics of the business for three decades. For workshop details, visit www.elfaonline.org/events/. If the 2023 dates and locations do not fit your schedule and you have 10 or more employees you would like to send to the workshop, ELFA can bring the workshop to you. Contact Alexa Carnibella for further details and pricing, 202-238-3416 or acarnibella@elfaonline.org.

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