



BUSINESS TECHNOLOGY PERFORMANCE INDEX

2018/2019





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Preface

Capgemini and ELFA are pleased to present the **2018/2019 Business Technology Performance Index** in collaboration with the ELFA. This 16th annual edition of the BTPI provides insight into the technology trends and forward-looking initiatives that Equipment Finance companies have begun, are anticipating, or have recently completed, in efforts to drive their firms into new markets, new opportunities, and more efficient operations.

This year we continue to build upon the use of Robotics Process Automation (RPA) and Artificial Intelligence (AI) as the next step in realizing quality and efficiency gains for equipment finance organizations.

We believe the findings in these pages can help in constructing operational business plans and the creation of new technology strategies to support those plans.

Cordially,

Michael Donnary

Michael E. Baez

Executive Summary

In last year's BTPI report, we discussed several new emerging technologies, such as Robotic Process Automation (RPA) and Artificial Intelligence (AI) and their potential impact on the equipment finance industry. In this current report we transition from the theoretical (introduction of these new technologies), to the next step of utilizing RPA and AI to gain operational efficiencies.

This year's survey data continues to show that equipment finance organizations view themselves as "beginners" when it comes to the adoption of RPA and AI. This trend suggests that there is still a significant opportunity to utilize these technologies to gain further competitive advantage in the industry.

The central theme in this year's report is the potential efficiency gains RPA and AI can bring for equipment finance organizations and provides several examples where RPA and AI are being put into practice across the industry.

RPA is now helping equipment finance organizations accelerate the speed of work and to automate repetitive and manually-intensive processes, thereby allowing people to focus on important value-added tasks. When coupled with the power of AI and the growing popularity of cognitive technologies, equipment finance organizations will be able to become industry leaders in digital and operational efficiency.

We will also take a closer look at notable trends from our survey data, including the adoption of cloud capabilities, deficiencies in front-end origination platforms, and the continued push for back-end system replacement.

As an accompanying topic, we will also explore how equipment finance organizations and solution providers are no longer just focusing on either core front-end or back-end platforms, but are evaluating across entire ecosystems when thinking about integration and system replacement.

Our report concludes with our BTPI survey response data which focuses on the respondents' rating of internal capabilities in terms of IT and operational abilities and providing insights into the current thinking of market-leading equipment finance organizations.

Robotic Process Automation and Artificial Intelligence

RPA and AI: The next step in the realizing enhanced quality and efficiency gains for equipment finance companies

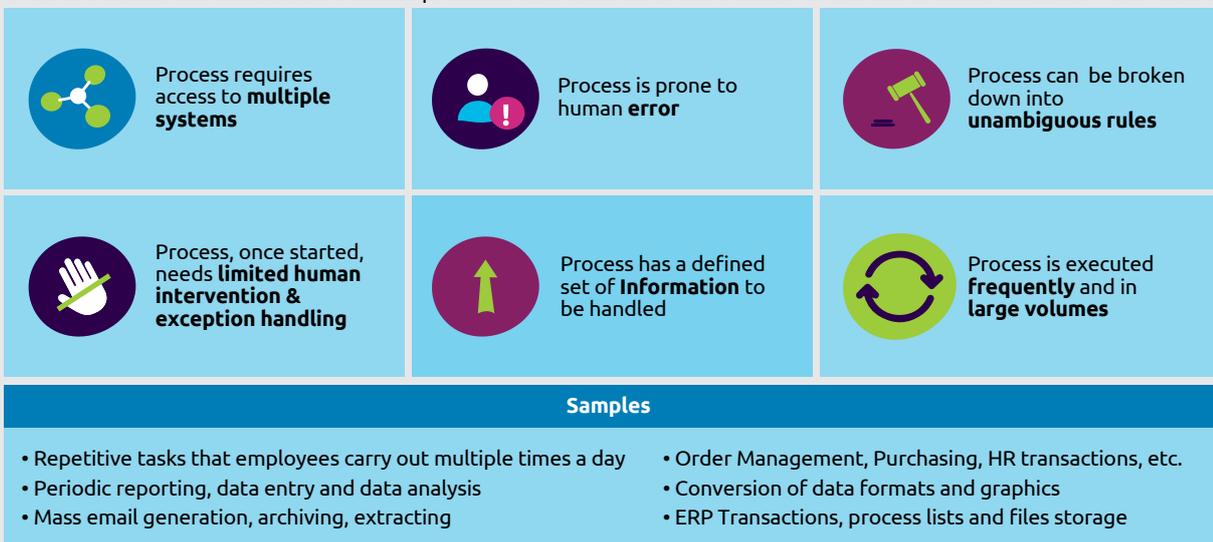
In this report, we are following up on the themes discussed in last year's survey and review. We explore Robotic Process Automation (RPA) and Artificial Intelligence (AI) as practical next-step capabilities to enhance operational quality and realize efficiency gains for equipment finance companies. The Finance sector has been pursuing these goals for years and recently some firms have implemented RPA to further reduce costs. Automation has been cautiously adopted and found to be a useful tool, as it has in many other industries. Artificial Intelligence has begun to permeate throughout forward leaning finance organizations, advancing the baseline toolsets available for daily engagement with people - both dealers, customers and employees. Coupled with RPA, AI replicates not only simple, but complex labor activities that require expert judgement or complex decision-making at greater scale, speed, and accuracy than a human.

RPA

An RPA solution has four key elements: 1) activity workflow, 2) information (data) to be processed, 3) business rules to be applied and 4) the use of existing applications.

Figure 1. RPA Selection

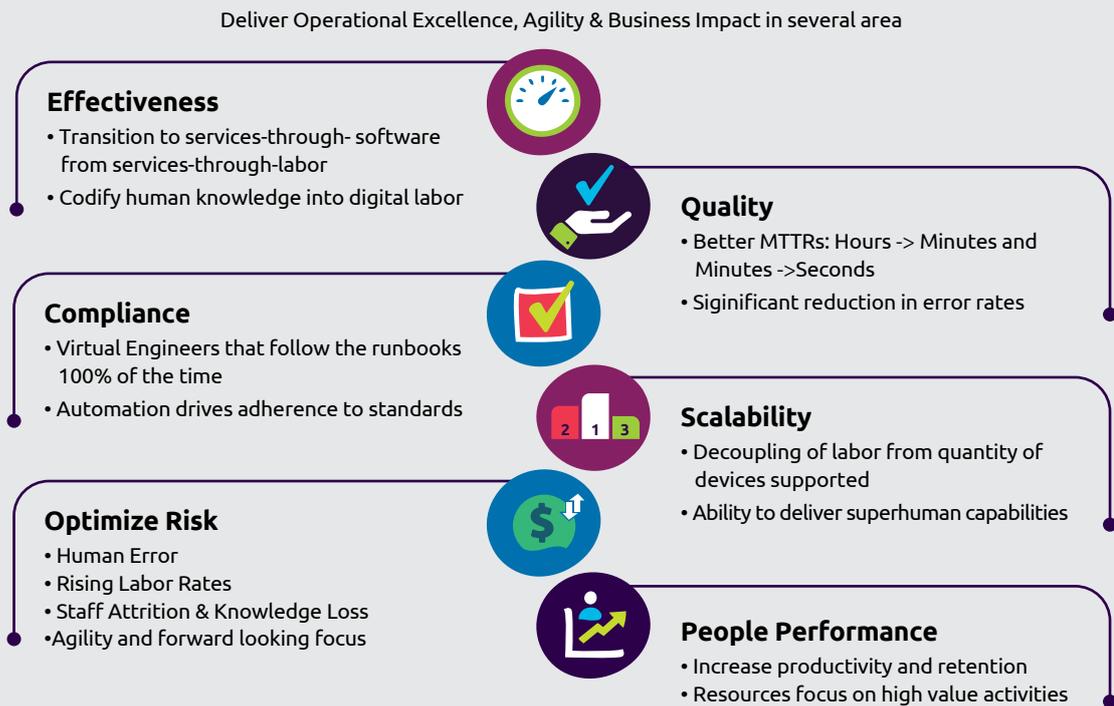
There are certain characteristics in business processes that make some more suited for Robotic Process Automation than others



Implementation of RPA can yield substantial benefits, and RPA solutions can be developed and deployed quickly. Since the bot acts as just another systems user, the impact on existing systems is low. Production implementations are typically achieved in under 6 months.

The figure below summarizes many of the reasons why organizations are adopting the technology.

Figure 2. RPA Benefits



A virtual workforce has helped some equipment finance organizations minimize (or, in some cases, eliminate) human intervention in the execution of repetitive, clerical tasks and decision-making and dramatically improved operational efficiency, sometimes up to 70%.

As indicated above, robots (bots) work best in well-structured situations where the rules and data used within a process are well established.

Think briefly of how many repetitive tasks our operational teams must perform every day that meet these criteria. In most cases they involve verification, validation or registration of facts and events from commonly available sources.

Examples include:

- Validating or updating credit and financial data in applications using credit reporting bureaus as sources
- Company searches
- Spreading financial data
- Generating complex documentation according to well established rules
- Assuring clear equipment titles
- Boarding contracts
- Initiating and managing payments
- UCC filing and administration
- Casualty insurance management
- Property, sales and use tax administration
- Reporting

“ RPA software imposes little to no additional technical load or complexity.”

These are just a few examples of tasks that manage data and risk but add little other value. Each has clear operational rules to be followed and all involve the possibility of human error. They take effort and occupy time that could be better focused on relationship management and improving dealer and customer experiences.

RPA software imposes little to no additional technical load nor complexity. Implementation times and maintenance efforts are modest and gains usually realized quickly. The software acts as a robot, replicating the tasks people perform at the 'down to the click level'. The bot is another staffer -- a user without the need to eat, rest or sleep that performs tasks at high levels of speed and accuracy.

There are limitations, of course, but in general, where clear business rules are already in place or can be written, a bot will work well to perform strictly clerical tasks. This allows adopters to follow the principle that “We involve our people only where they can add value, where a human must make a decision or where our customers demand it.”

Let’s look at some recent examples that illustrate the value RPA can add.

Case Study 1 – Application of customer lease payments. A major US Bank Lessor has automated the application of customer lease payments. In this case, the bots capture details of inbound payments by whatever means they are made (ACH, Lockbox, DD, etc.).

These are compared with the bank’s accounts receivable files and the cash is applied according to the rules contained in each contract against the various receivable types (taxes, lease and usage payments, late fees, etc..)

Using bots in this aspect of managing its lease accounting, the bank has saved upwards of 40% of the pre-automation cost base.

Case Study 2 – UCC filing and administration. A Tier 1 financial institution automated the preparation and filing of all its UCC-1 and UCC-3 forms. This reduced the workforce assigned to those tasks to a quality control/ audit functional team that monitors bot performance. Significant enhancements (>40%) in production quality and speed were delivered.

Case Study 3 – Managing resales. A major lessor applied robotic automation to assist in managing the resale of returned or recovered leased equipment.

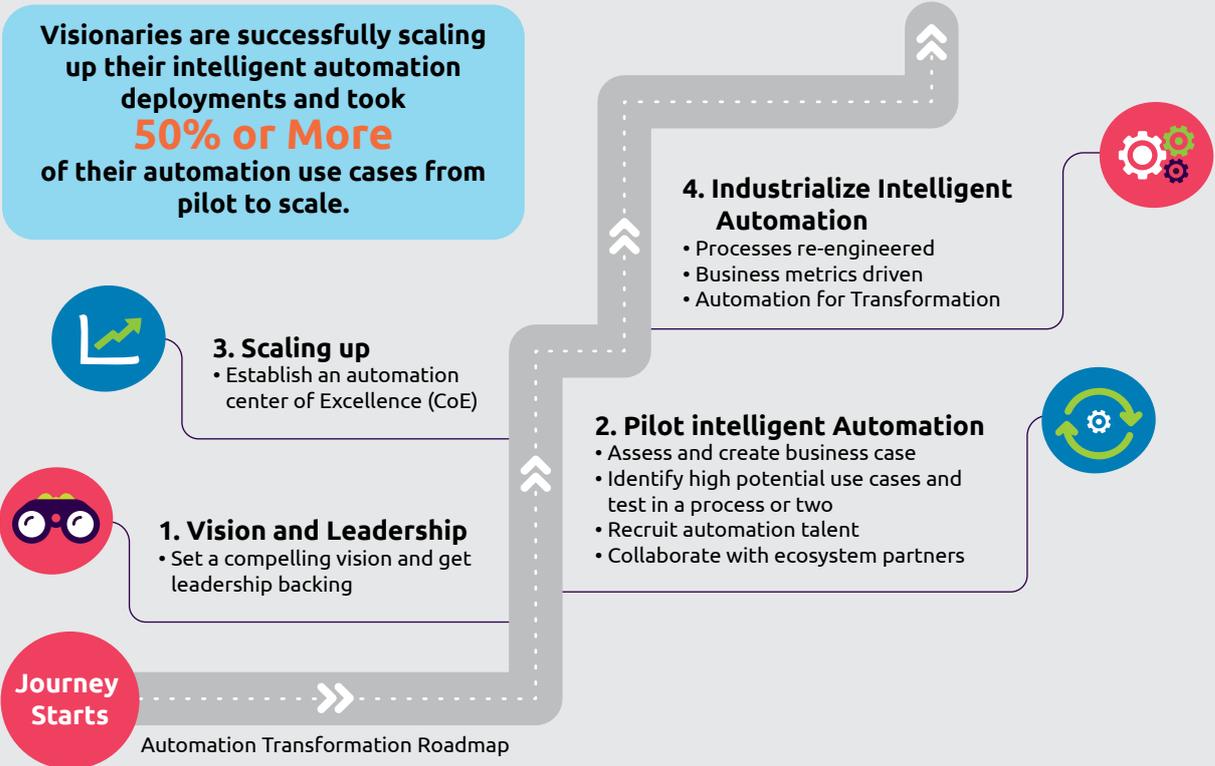
AI reviews the portfolio of expiring contracts and the underlying equipment, then explores specified market sources to judge the likely value upon resale, using specified channels. The data gathered is presented to an agent for a decision to be made on the optimal resale channel and the RPA bot then executes the actions decided upon. AI also tracks the results obtained. Over the course of a planned introductory period, during which the machine will continue to learn and adjust, AI will gradually assume the decisioning with the human element changing to validation.

In this last case, the advantages of the bot have been greatly augmented by wrapping AI into the technology suite.

AI

Artificial Intelligence, an advanced area of computer science that creates intelligent machines that think and act like humans, is also finally finding acceptance in finance. Equipment finance organizations are using this technology to achieve a range of business goals - influencing sales, boosting operations, driving customer engagement, and generating insights.

Figure 3. Why AI?



These firms are implementing AI to mimic human behaviour and their abilities to sense, think and act. As we discussed in our prior report, AI is a bundle of approaches and these can be combined to achieve the desired results.

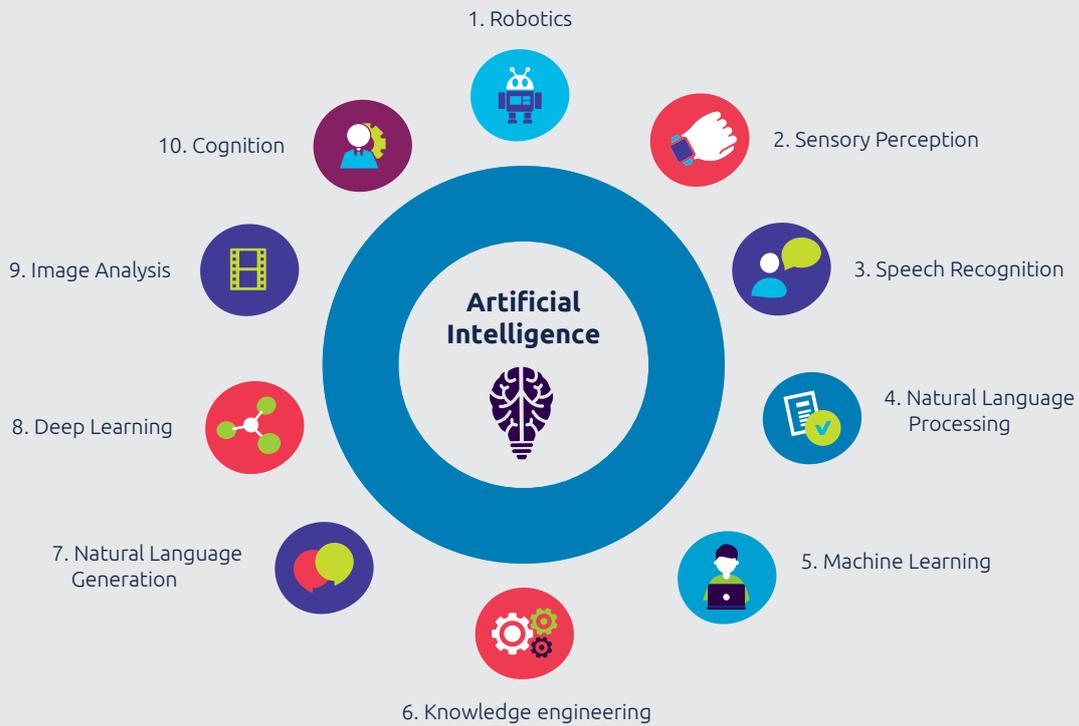
Figure 4. Key AI Components



Applying Artificial Intelligence into your Business Processes

Artificial Intelligence, an advanced area of computer science that creates intelligent machines that think and act like humans, is also finally finding acceptance in finance. Equipment finance organizations are using this technology to achieve a range of business goals: influencing sales, boosting operations, driving customer engagement, and generating insights.

Figure 5. AI Options for Implementation



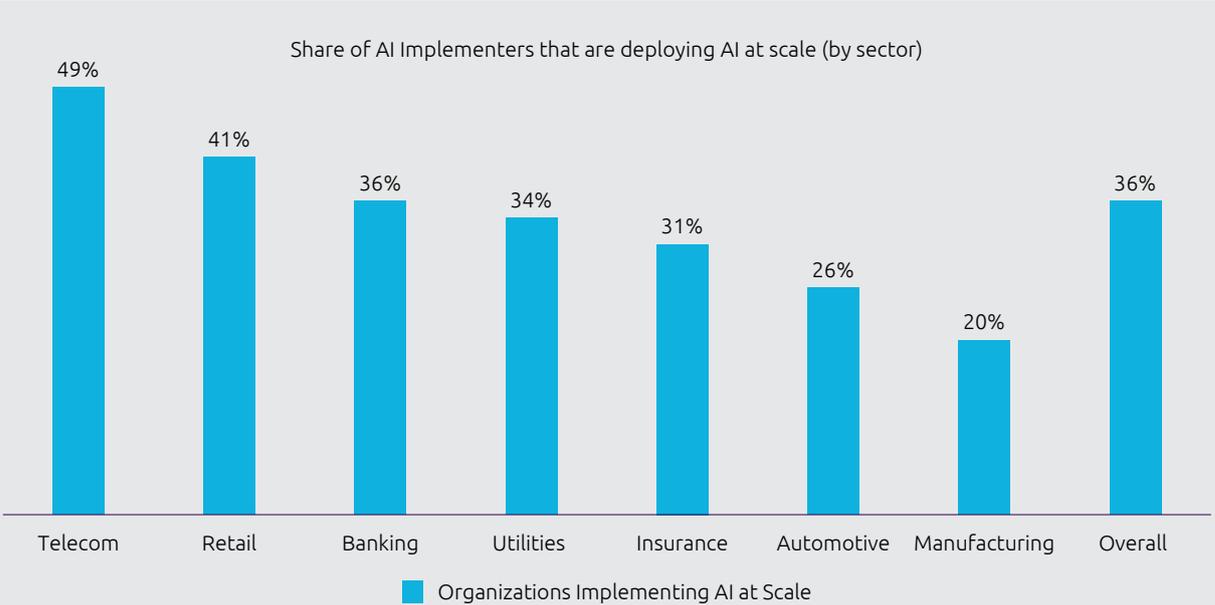
“ 47% of respondents indicate they are either building capabilities around or exploring potential uses of artificial intelligence.”

To understand AI’s impact on customer experiences, Capgemini conducted worldwide, cross-sector research to explore how consumers perceive AI and which interactions respondents believed could be better delivered by humans, by AI, and by a mix of humans and AI.

We found that customers have become more aware of when AI is being used by organizations. Customers generally like it and are becoming more prescriptive of when and how it should be used to remove friction from each customer’s journey.

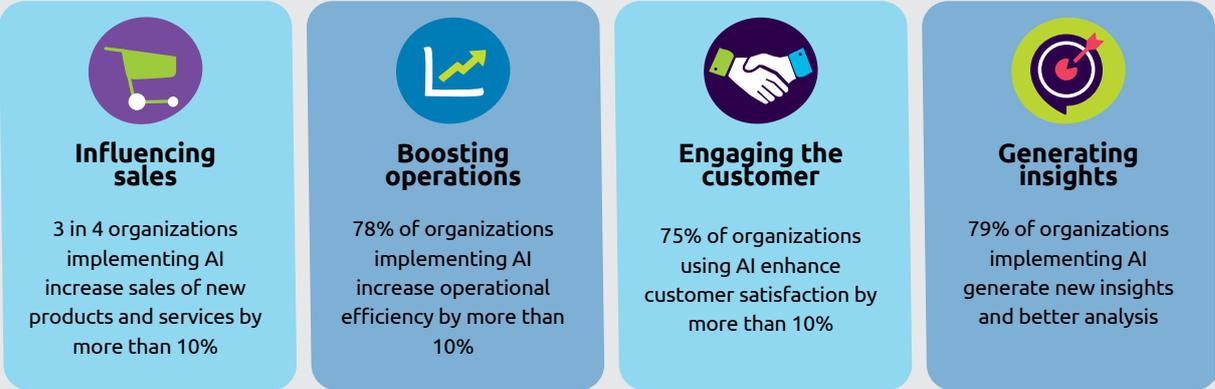
Our survey results find that 47% of respondents indicate they are either building capabilities around or exploring potential uses of artificial intelligence.

Figure 6. AI by Industry Sector



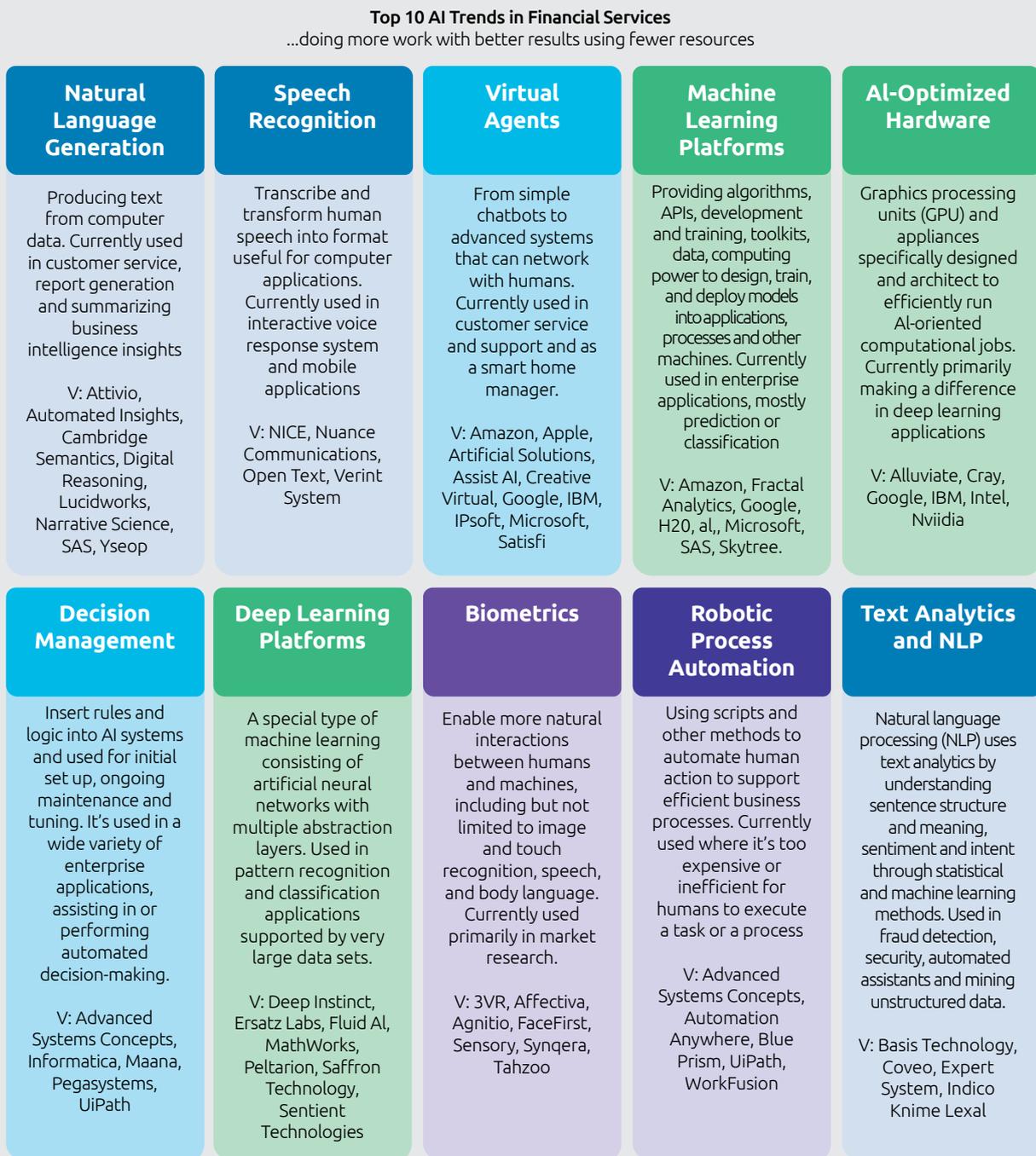
And companies are generally recognizing success as indicated below:

Figure 7. AI Results



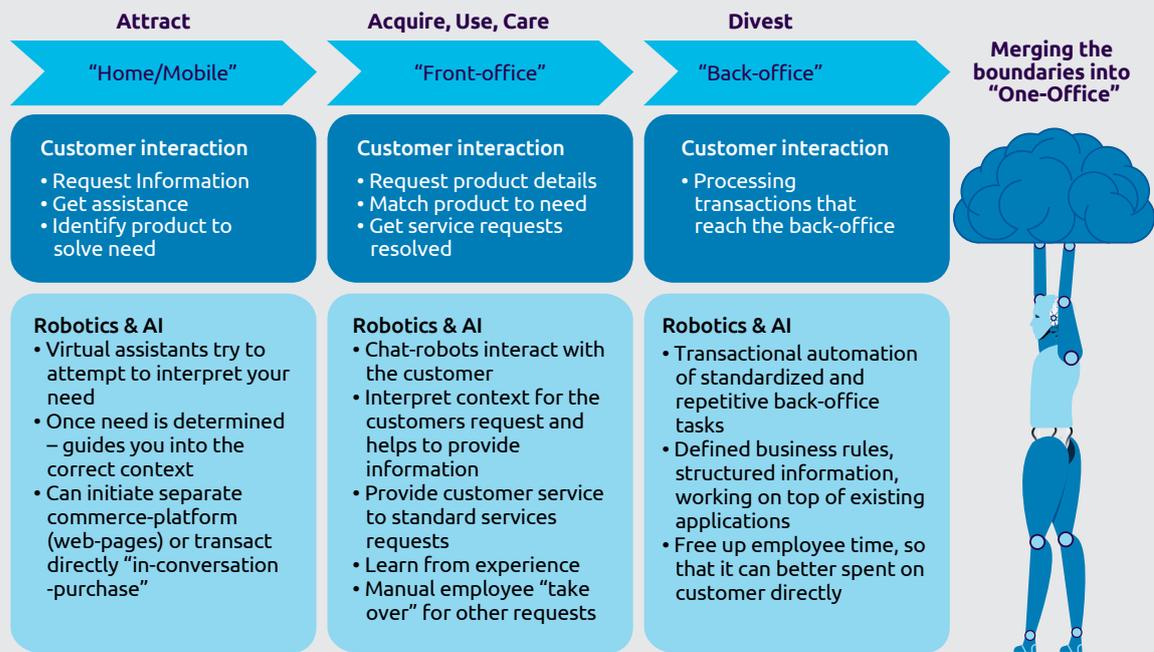
While the current intermediate level of AI technologies is enough for process-related trends, more advanced AI technologies are expected to become a reality. Which is why we believe RPA & AI are now opportunities to be grasped.

Figure 8. Advanced AI Trends



Robots can interface with customers in a variety of channels and at different stages of the financing lifecycle as demonstrated in the following figure:

Figure 9. RPA/AI Impacts



Look at chat-bots; now a familiar part of everyday life. Chat-bot technology today combines elements of robotics, AI and unstructured data. Chat-bots have become popular as the "messaging" platform trend increases as a form of conversation and social interaction. Since the chat-bot needs to understand the intent of the user, the more "free-form" the conversation, the more options and domains must be understood by the bot.

Virtual assistants are placing themselves "closer" to the user and are acting the part in the earliest stages of the interaction. This means handling a diverse set of needs and interactions before the user is "channelled" into the correct response process. Human intervention occurs as soon as the chat-bot recognizes the customer's need and directs the interaction to the source best qualified to respond.

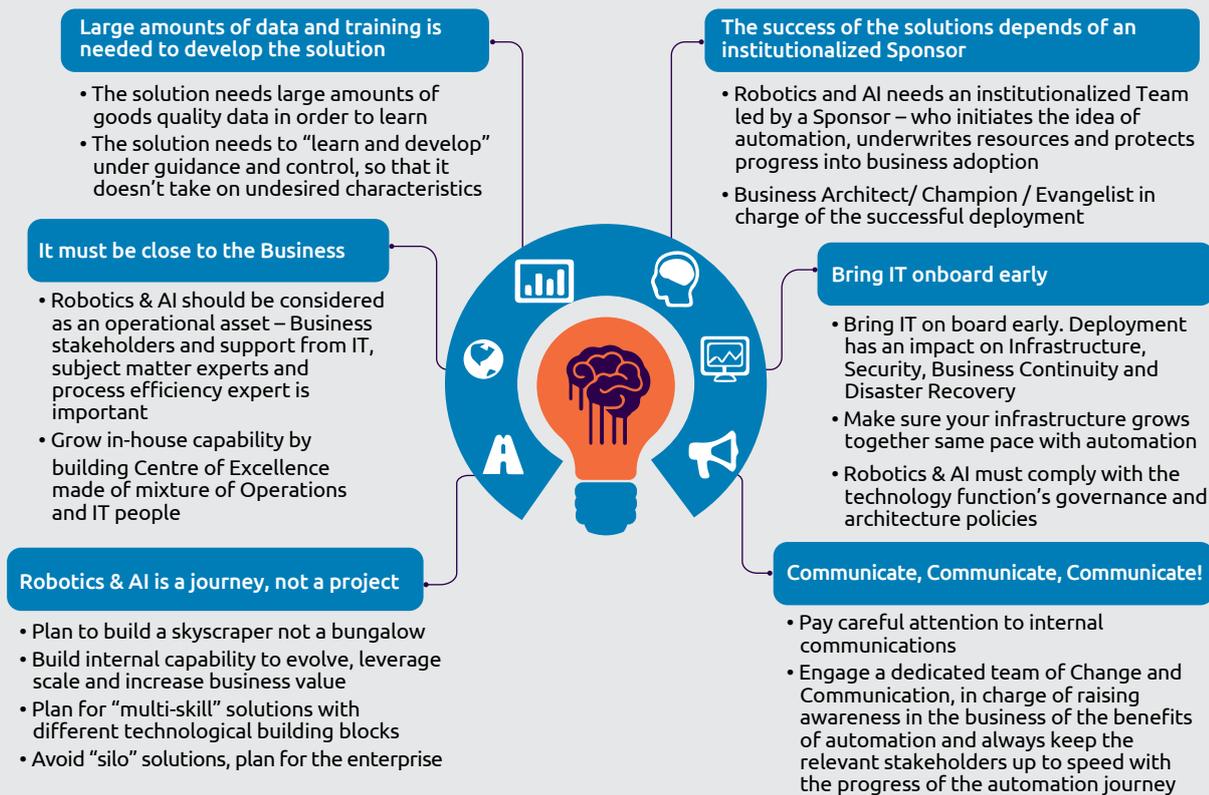
As another example, take the RPA Resale Case discussed earlier. We can see how the combination of RPA and AI comes together to deliver superior results for the company. Research is conducted from designated sources and synthesized to a form enabling rapid human decisions

The simple process steps executed by the bot are augmented by the application of AI.

AI uses a broad array of sources to decide what specific tasks the bot will execute to maximize the resale opportunities each asset presents. Every experience is a lesson learned for the AI bot and is “grist for the mill” of all future opportunities.

These examples highlight the key success factors for integrating Robotics & AI into the business:

Figure 10. RPA/AI Key Success Factors



Our experiences also indicate a straightforward approach.

- Start by building small “narrow” use-cases
- Determine how to integrate the selected solution into the business process – as a “stand-alone” solution, or as a module, or as a combined orchestration
- Group technology capabilities to provide a given “ability”
- Assemble a clear-cut business case and business objectives for what you want to achieve before starting to determine the requirements of your solution
- Tailor the specific AI solution to support a defined business process with a needed “ability”
- Be prepared to experiment and adjust quickly from experiences gained
- Be aware that AI “building blocks” are constantly changing – and becoming more advanced

“RPA and AI together help drive efficiency, reduce risk, and foster better compliance.”

Summary

RPA is now helping equipment finance organizations accelerate the speed of work and assure closer adherence to working procedures for repetitive and manually intensive processes. However, when equipment finance companies leverage the power of AI and the growing popularity of cognitive technologies combined with RPA, they will be able to join the industry’s leaders in digital transformation and unlock untapped opportunities.

AI enables the review of digitized documents, utilizes machine learning to find an optimal solution to any unexpected event in a process, and can closely monitor human transactions through natural language tools, prompting alerts for any out-of-the-ordinary activities. Through these and other kinds of applications, RPA and AI together help drive efficiency, reduce risk, and foster better compliance.

This is the ideal of “better, cheaper, faster” and the shape of things to come in equipment leasing for those willing to take advantage of the opportunities these technologies present.

Connections

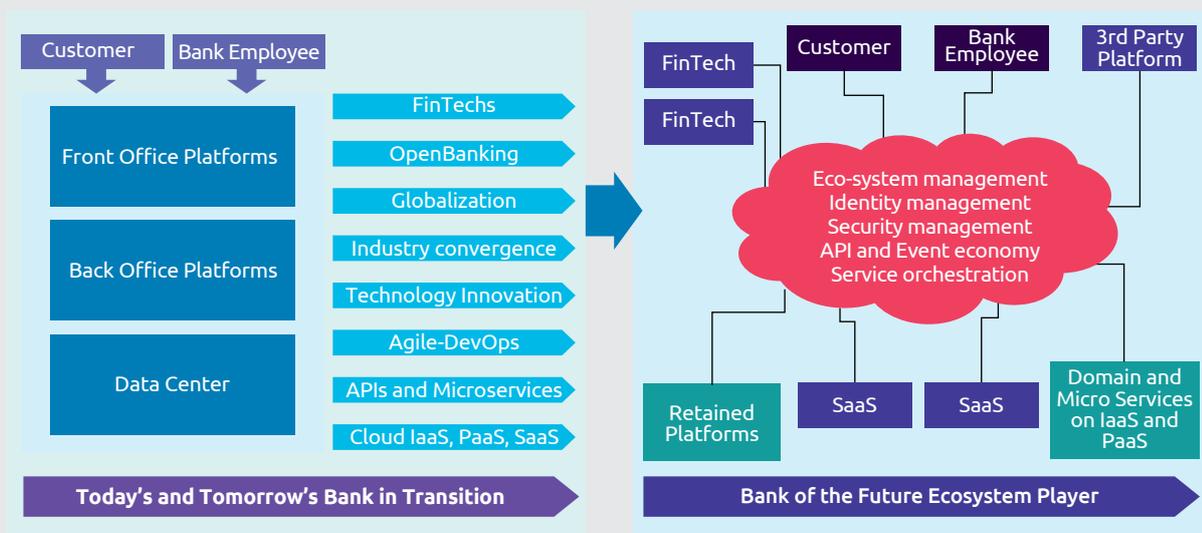
“FinTech and BigTech disruptions, combined with developments such as open banking are creating exciting opportunities as well as daunting eats for the Equipment Finance industry”

The equipment finance organization of the future: An Ecosystem of Services

Across the globe, equipment finance companies and banks are in transition. The pace of change is accelerating as the competitive landscape intensifies. How should equipment finance companies and banks prepare for rapid change today and throughout the coming years?

Now, more than ever, a digital, opti-channel, ecosystem model must be considered. Opti-channel engagement is the marriage of two of today’s hot topics in customer engagement: journey mapping and big data. In an omni-channel experience (the current best practice), customers should be able to engage with you on any device through any channel at every step along a journey. With an opti-channel engagement strategy, you determine the optimal channel for each customer at each touch point.

Figure 11. An Ecosystem of Services



“Opti-channel engagement is the marriage of two of today’s hot topics in customer engagement: journey mapping and big data.”

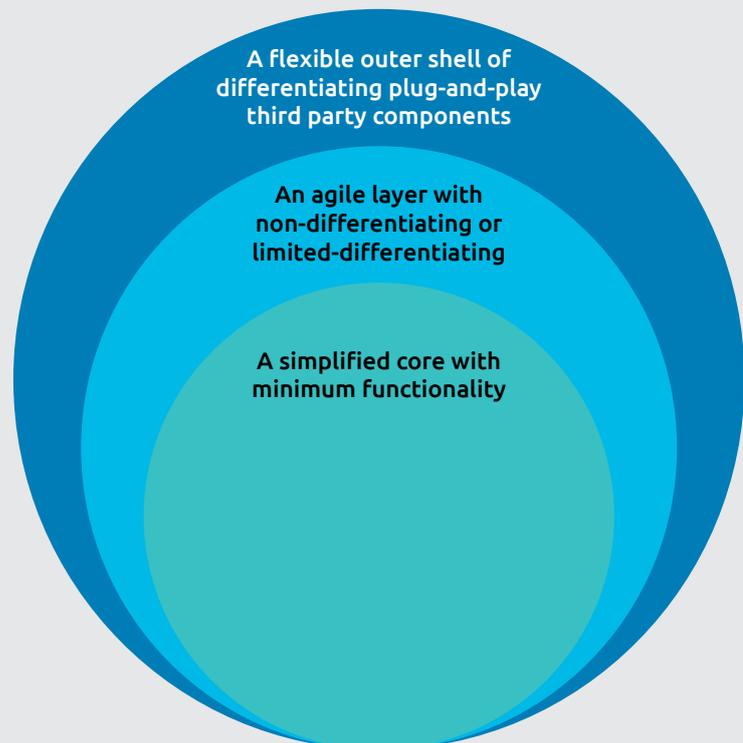
Based on new operating models that enable the rapid evolution of services, forward-looking equipment finance companies and digital banks can realize opportunities created by the confluence of customer centricity with new data sources and technology disruption. The digital financial services culture is future-focused through continuous testing and learning, facilitated by next-generation technology platforms.

Three-layer digital banking model

To remain competitive, leasing and lending organizations must offer superior customer experience and responsiveness while remaining compliant with ever-changing regulations. An agile simple architecture enables flexibility and the means to reduce operating costs.

Let's consider this three-layer banking model:

Figure 12. Three-layer banking model



- A **simplified core with minimum functionality**—cut down to a basic ledger
- An **agile layer with non-differentiating or limited-differentiating digital functions** such as customer management, and omni-channel support across all touchpoints, security, integration, and analytics. This layer includes capabilities removed from the core, such as product management and onboarding, and it can flexibly add capacity to configure, price, quote, and bill dynamically.
- A **flexible outer shell of differentiating plug-and-play third party components** that can quickly be added or dismissed to meet changing customer expectations. This shell allows your organization to start up new business models based on FinTech collaboration and expand to non-banking-related business models that add value for customers.

The time is right

We believe sufficiently mature leasing and lending solutions are available today that, when combined with a strategic Bus-Dev-Ops strategy, enable a future-proof, highly responsive ecosystem. Organizations that transition to the new ecosystem and digital model empower themselves to:

- Enable a true opti-channel experience, which is an omni-channel experience optimized for individual customer preferences across all touchpoints. Opti-channel banks work to determine the ideal channel each customer prefers for specific activities—and based on customer analytics can predict what is optimal for everyone. However, an opti-channel platform will be required to scale, adapt, and deliver personalized digital experiences to consumers and staff while re-using components across channels.
- Maximize speed to value and buy, not build applications and infrastructure to leverage emerging cloud services quickly. Build only when necessary to create a competitive advantage.
- Adopt a DevOps practice in which operations and development engineers work together throughout the entire service lifecycle, from design through development to production support to enable automated application lifecycle management and frequent, rapid deployment of new business functions.
- Manage a federation of services with a broad ecosystem of partners, as business boundaries disappear. Retain plug-and-play services to adapt to changing needs.

Summary

A digital, opti-channel, ecosystem model and architecture offers a variety of advantages:

- Leading Customer Experience
 - Personalized opti-channel experience
 - Simplified, configurable product offerings
 - Ability to embrace ecosystems and open banking
- Simplified and Agile Architecture
 - Improved time to market through rapid, continuous change
 - Ability to plug-and-play FinTech and third parties
 - Elastic and scalable services
- Reduced Operational Costs
 - Variable cost structure aligned to revenue
 - Continuous improvement and optimization
 - Simplified and straight-through processes

For more on this topic, please refer to the [World Retail Banking Report](#):



BTPI Survey Findings

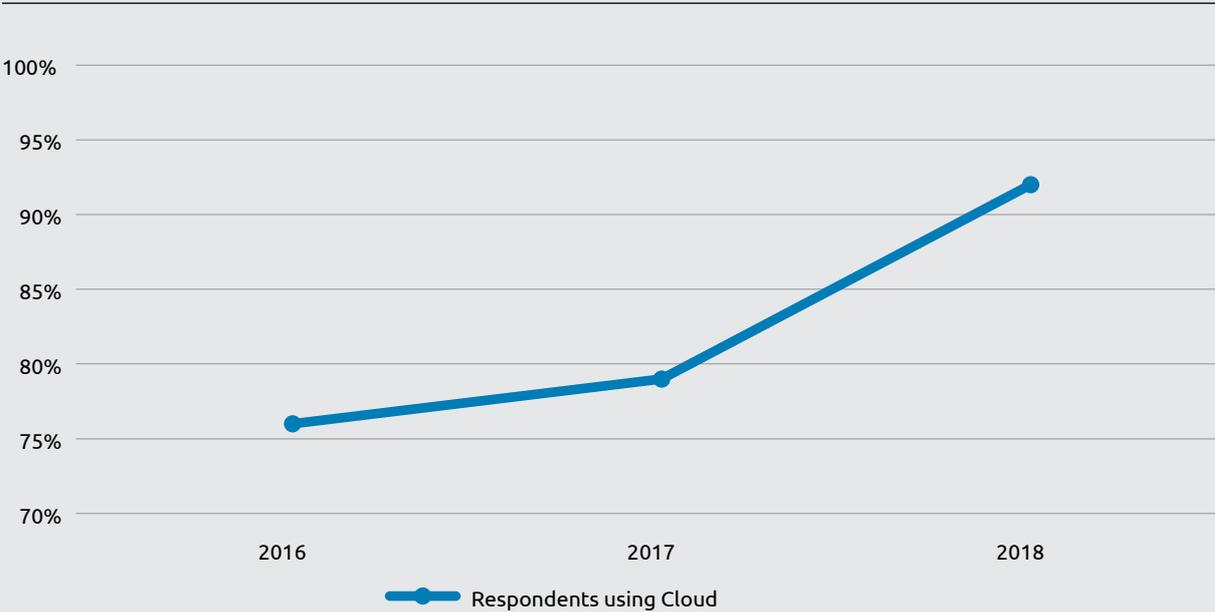
Identifying notable trends has become an annual tradition with the BTPI report and this year's edition is no different. In looking through our data gathered for the survey and industry benchmarks, below we identify a few trends Capgemini has identified that we feel are worthy of a deeper dive. This year we take a closer look at adoption of the cloud, front-end system deficiencies, back-end system replacement and a brief follow-up on emerging technologies introduced in our prior report.

“The latest survey responses indicate that more than 90% of organizations are now indicating they leverage the cloud in the delivery of IT solutions.”

Adoption of the Cloud

Less than 80% of respondents in our prior two years of data had indicated cloud solutions were not a method leveraged by their organization. The latest survey responses indicate that more than 90% of organizations are now indicating they leverage the cloud in the delivery of IT solutions. With equipment finance organizations focusing on reducing operating expenses over the last several years, these numbers are in-line with industry expectations.

Figure 13. Respondents using Cloud



Not surprising that in parallel with this uptick in use of cloud solutions only 8% of respondents indicated that cloud capabilities were missing from their front-end system's capabilities.

In addition, there was a 20% increase year-over-year in respondents' assessment of their adoption of cloud computing. Most companies considered themselves as "aggressive" or a "market leader" when it came to cloud computing. The shift here was large in that 30% ranked themselves as "beginner" just 1 year ago.

“Over 75% of respondents indicated that mobile capabilities are either already fully or partially available - a 15% move year-over-year.”

Front-End Deficiencies

Evolving technologies and market offerings within the industry help to shape the deficiencies that organizations identify in their technology platforms. Likewise, as trends are implemented we see these traits change over time.

There was a sudden shift this year in mobile capabilities being called out as a front-end gap by respondents. In the prior two years, over 40% of organizations identified this as a key item missing in their front-end platform. However, in 2018 this fell to less than 25% noting it as a front-end issue.

In digging a bit deeper at the data, this is not likely due to it being less of a priority but in fact more likely that companies have implemented this functionality at some level over the last few years. This year, over 75% of respondents indicated that mobile capabilities are either already fully or partially available - a 15% move year-over-year.

So where will companies look to invest next in the front-end?

Respondents did show a 25% move in calling out workflow capabilities as a gap in their originations platform. There appears to be potential opportunity to fill this gap with either BPM tools or even RPA.

Respondents are transparent about the lack of use to date within their organization. Just under 40% call themselves a market leader or aggressive in BPM and just 15% identify themselves as a market leader or aggressive on the robotics side.

“We are seeing movement away from the selection of an enterprise-wide application and more willingness to pursue multiple best-of-breed solutions.”

Back-End System Replacement

Our survey results indicate that core back-end servicing platforms continue to age. Back-end system replacement was called out as the top initiative among equipment finance organizations to undertake in the next 18 months.

What will companies be moving toward in their back-end system?

The majority of respondents believe their back-end system meets their current needs as an organization. However, over 75% indicate it will not meet their future needs due to evolving customer demands, end-of-life issues, or a desire to reduce costs by moving to the cloud.

The data tells us that 80% of respondents are not likely to pursue a custom-built solution as part of their software implementation efforts. The data shows that there is an even mix between the desire to purchase enterprise-wide solutions or best of breed solutions from multiple providers.

This trend away from custom platforms has now been in the spotlight for several years. We are seeing movement away from the selection of an enterprise-wide application and more willingness to pursue multiple best-of-breed solutions. This trend will be interesting to watch going forward. Organizations seem to be more willing to pursue best-of-breed applications as integrating systems becomes less cumbersome and with a shorter time to implementation.

Follow-up on Emerging Technologies

In last year's report, we began the discussion around new emerging technologies, specifically Artificial Intelligence, Blockchain, and Smart Contracts. We highlighted that for the most part, equipment finance organizations were still being introduced to these technologies. The outline below indicates respondents' level of knowledge the respective technologies at the time.

It is of note that our data showed 0% of respondents had implemented any of these technologies as of October 2017.

Technology	Some to no awareness	Exploring or building capability
Artificial Intelligence	53%	47%
Blockchain	73%	27%
Smart Contracts	67%	33%

Current data does not show a shift in this area. Respondents still show that the majority are beginners when it comes to AI, Blockchain, Smart Contracts, as well as Robotics.

Technology	Self-Ranking of "Beginner" or "Conservative"
Artificial Intelligence	85%
Blockchain	92%
Smart Contracts	92%
Robotics	85%

The data clearly suggests that there is a potentially large opportunity for equipment finance organizations to further advance in the use of these technologies and in some cases, become market leaders with a significant competitive advantage. The good news across the industry is that contrary to past history vis-à-vis emerging technologies, awareness and some level of adoption for these latest technologies is happening at a much faster rate than in the past.

Capgemini Point of View

In our previous BTPI report, we noted that new technologies were quickly emerging, and that adoption would be more rapid than in the past when new technologies had emerged. We are clearly beginning to see the adoption of RPA and AI within the equipment finance industry. Although it is still early in the adoption cycle, companies are indeed taking the next step to gain operational efficiency first using RPA with AI following not too far behind.

Our prior research also showed an increased focus by equipment finance organizations around customer intimacy. The use of RPA and AI places equipment finance organizations in the value-added position to focus on the customer and we view these technologies as key drivers to gain a competitive advantage in the market place.

In addition to considering these technologies and in line with gaining a competitive advantage, equipment finance companies must also consider a digital, opti-channel, ecosystem model to drive 1) a leading customer experience, 2) a simplified and agile architecture, and 3) reduced operational costs. We believe the time is right as there are mature leasing and lending solutions available today that, when combined with a strategic Bus-Dev-Ops strategy, enable a future-proof, highly responsive ecosystem.

There is a “call to action”. Equipment finance organizations can no longer rely on an extended wait period to embrace new technologies. The pace of technology is staggering, and the adoption cycle is much shorter than ever.

BTPI Survey Response Statistics

The following section of the report provides a summary of responses to the 2018/2019 BTPI survey. Since respondents do not always provide information for each question, each table in the survey may have a different number of respondents.

Profile of 2018/2019 BTPI Survey Respondents

1. What form of organization most closely describes your business?

Type of Organization	% of Respondents
Bank	38%
Captive	62%
Independent, Financial Services	0%

2. What market segment most closely describes your business?

Market segment	% of Respondents
Micro Ticket	0%
Small Ticket	54%
Mid Ticket	46%
Large Ticket	0%

3. According to the definitions of IT / Operational maturity below, how would you rate your company's capabilities in the following areas:

Initial	Ad-hoc processes. Systems not industry standard and do not cover the entire leasing lifecycle. Widespread use of Excel and stand-alone, nonintegrated systems and tools.
Repeatable	Core processes established, although inefficient. Duplication of data entry prevalent. Core systems integration with supporting systems is non-existent or poorly executed. Front-end and back-end platforms have limited interface. Reporting is manual and ad-hoc. Organization is dependent on good people, not good processes and systems.
Defined	Processes are documented, standardized and well-integrated with core systems. Some consideration of processes and systems is given prior to new market entry or new program development. Workflow drives processes. Two-way integration between front-end and back-end platforms. Partners are linked in through the web for new business origination.
Managed	KPIs and metrics established for processes. Systems and processes drive financial offerings. Web presence extends to partners and customers and covers a wide range of front-end and back-end capabilities. Manual data entry is minimized or outsourced, focusing internal resources on analysis and customer serving activities.
Optimizing	Continuous processes improvement. Processes and systems have become a competitive advantage for business. Financial products are highly integrated with processes and systems and some aspects of them are difficult to duplicate by competitors. Customers and markets drive system investments.

Customer relationship management (CRM)	
Rating	% of Respondents
Initial	15%
Repeatable	15%
Defined	31%
Managed	8%
Optimizing	31%
Not Applicable	0%

New business processing	
Rating	% of Respondents
Initial	0%
Repeatable	8%
Defined	31%
Managed	38%
Optimizing	23%
Not Applicable	0%

Back-end portfolio servicing	
Rating	% of Respondents
Initial	0%
Repeatable	8%
Defined	15%
Managed	54%
Optimizing	23%
Not Applicable	0%

Collections and customer service	
Rating	% of Respondents
Initial	0%
Repeatable	8%
Defined	15%
Managed	69%
Optimizing	8%
Not Applicable	0%

Customer self service	
Rating	% of Respondents
Initial	16%
Repeatable	31%
Defined	15%
Managed	15%
Optimizing	8%
Not Applicable	15%

Customer and Partner Mobile Enablement	
Rating	% of Respondents
Initial	46%
Repeatable	0%
Defined	8%
Managed	15%
Optimizing	8%
Not Applicable	23%

Core accounting - general ledger, accounts payable, payroll, etc.	
Rating	% of Respondents
Initial	0%
Repeatable	8%
Defined	38%
Managed	31%
Optimizing	23%
Not Applicable	0%

Business intelligence/reporting	
Rating	% of Respondents
Initial	0%
Repeatable	15%
Defined	47%
Managed	15%
Optimizing	23%
Not Applicable	0%

Compliance and controls	
Rating	% of Respondents
Initial	0%
Repeatable	8%
Defined	46%
Managed	23%
Optimizing	23%
Not Applicable	0%

Enterprise Risk Management - liquidity, operations, residual value, credit, reputation and market risk	
Rating	% of Respondents
Initial	0%
Repeatable	23%
Defined	30%
Managed	23%
Optimizing	15%
Not Applicable	9%

Cloud technology	
Rating	% of Respondents
Initial	16%
Repeatable	15%
Defined	15%
Managed	24%
Optimizing	15%
Not Applicable	15%

Integration of systems (internal and/or 3rd party)	
Rating	% of Respondents
Initial	8%
Repeatable	8%
Defined	31%
Managed	38%
Optimizing	15%
Not Applicable	0%

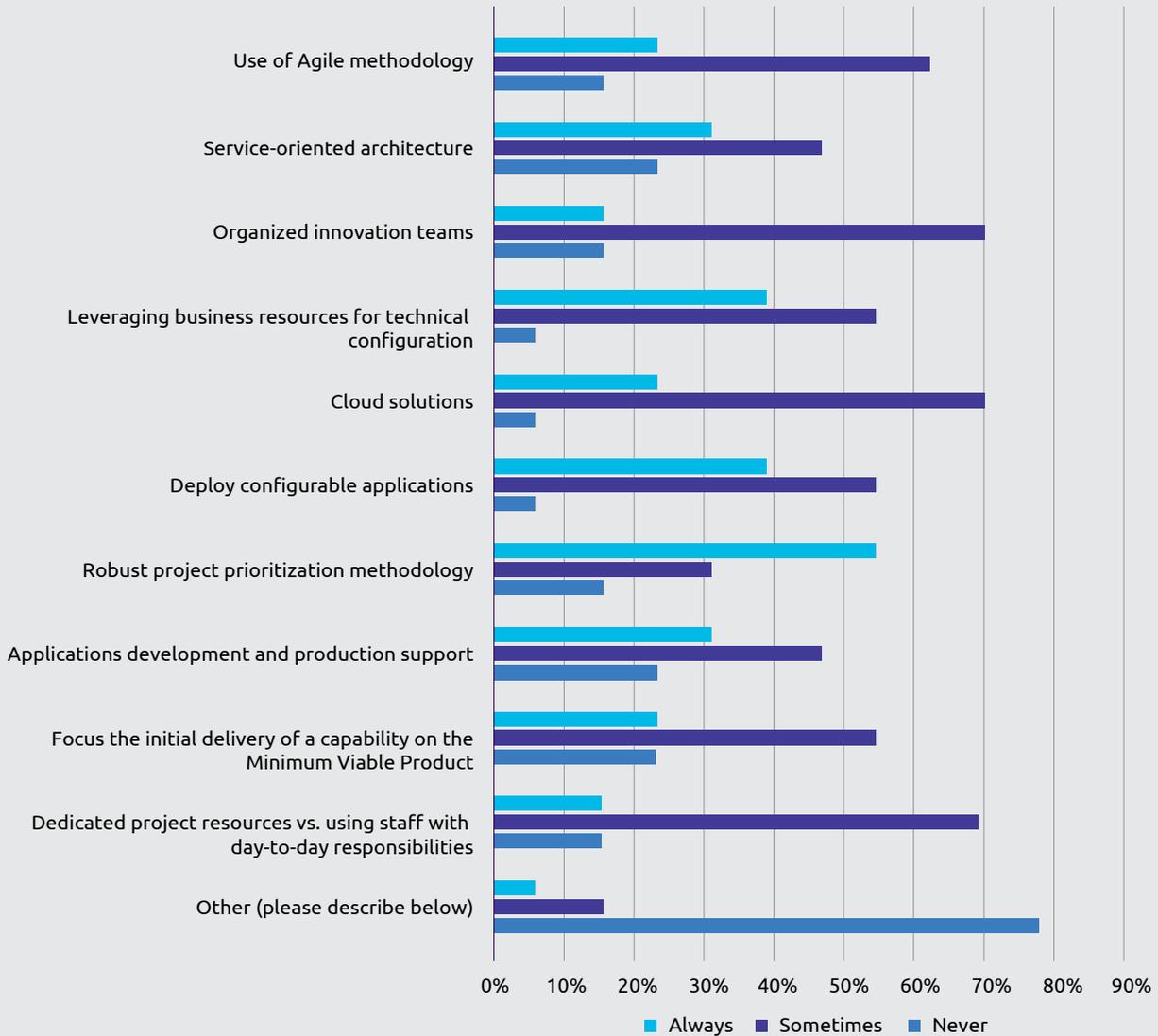
Partner Portal Capabilities	
Rating	% of Respondents
Initial	8%
Repeatable	8%
Defined	15%
Managed	38%
Optimizing	8%
Not Applicable	23%

4. According to the definitions of IT / Operational maturity below, how would you rate your company's capabilities in the following areas:

Service	% of Respondents
Back end (servicing) system replacement	54%
Customer self service (including web, mobile, phone, etc.)	38%
360 degree view of customer / CRM	23%
Front end (originations) system replacement	23%
Business intelligence improvements	23%
Portal for partners	23%
Integration of systems (internal and/or 3rd party)	23%
Consolidate multiple back end platforms	15%
Build or improve systems integrations	15%
Process efficiency improvement initiative	15%
Business Process Management (automation of workflow)	15%
Consolidate multiple front end platforms	8%
Buy or build business specific applications	8%
Use of robotic processing automation	8%
Risk management initiatives focused on Credit, Residual Value,	8%
Expand financial product offerings	0%

5. Which of the following do you leverage as tools to deliver IT projects and solutions faster in order to reduce time to market?

Figure 14. Tools to Deliver IT Projects



6a. Average number of years using a front-end system:

Number of years using front-end system	
Average	6.2 years

6b. Average number of years using a back-end system:

Number of years using back-end system	
Average	16.2 years

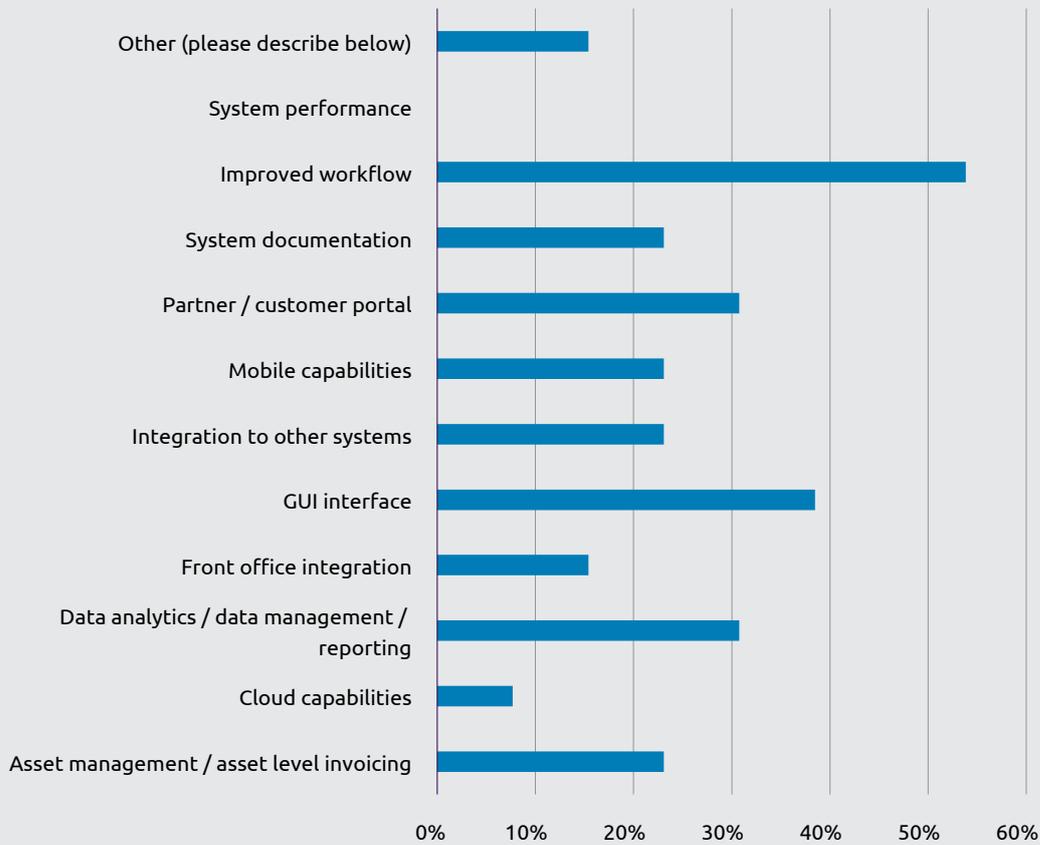
7. Please identify the top 3 features missing or most highly deficient in your FRONT-END systems

System application vendor	% of Respondents
Workflow capabilities	17%
Data analytics / data management	14%
Partner or customer portal	14%
Compliance controls / monitoring	11%
Integration to a CRM	11%
Mobile capabilities	9%
Integration to back office	6%
Integration to other systems	6%
Other (please describe below)	6%
Cloud Capabilities	3%
System Performance	3%

8. Please identify the top 3 features missing or highly deficient in your back-end systems

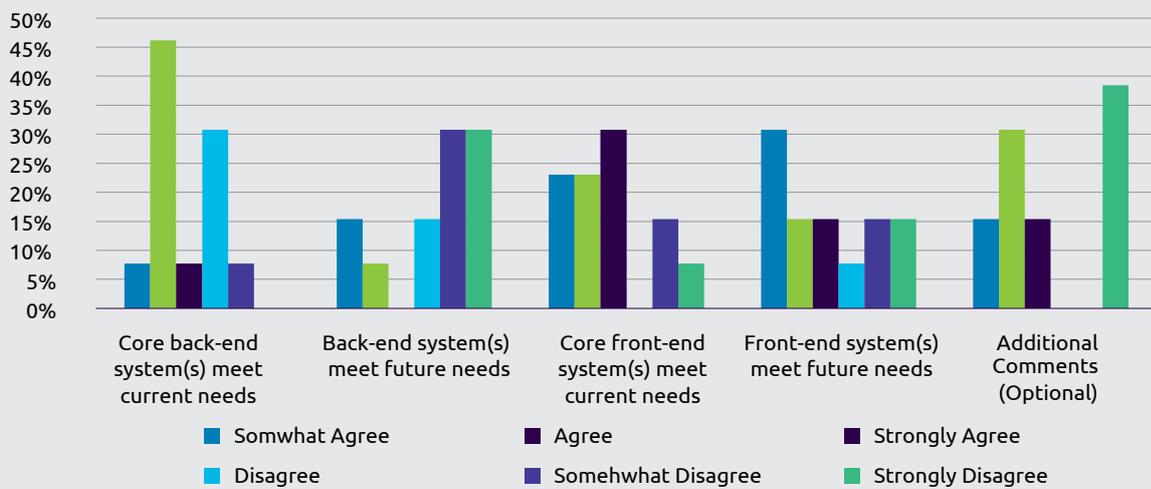
System application vendor	% of Respondents
Improved workflow	53%
GUI interface	38%
Data analytics / data management / reporting	30%
Partner / customer portal	30%
Asset management / asset level invoicing	23%
Integration to other systems	23%
Mobile capabilities	23%
System documentation	23%
Front office integration	15%
Other (please describe below)	15%
Cloud capabilities	7%
System performance	0%

Figure 15. Features missing from back-end systems



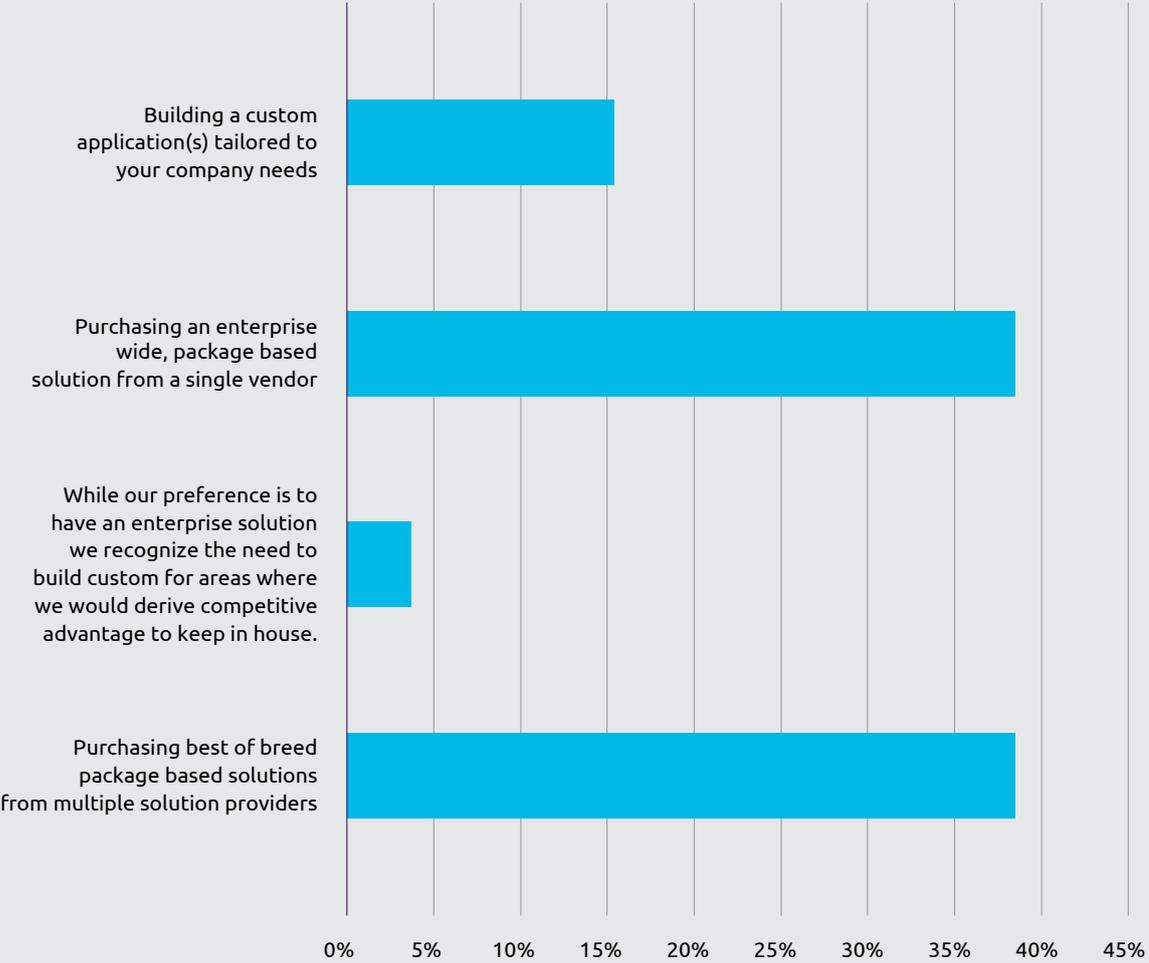
9. Please specify your level of agreement or disagreement with the following statements as they pertain to your organization

Figure 16. Level of Agreement with the following statements



10. Please specify your level of agreement or disagreement with the following statements as they pertain to your organization

Figure 17. Company Preference for Front-end and Back-end Systems

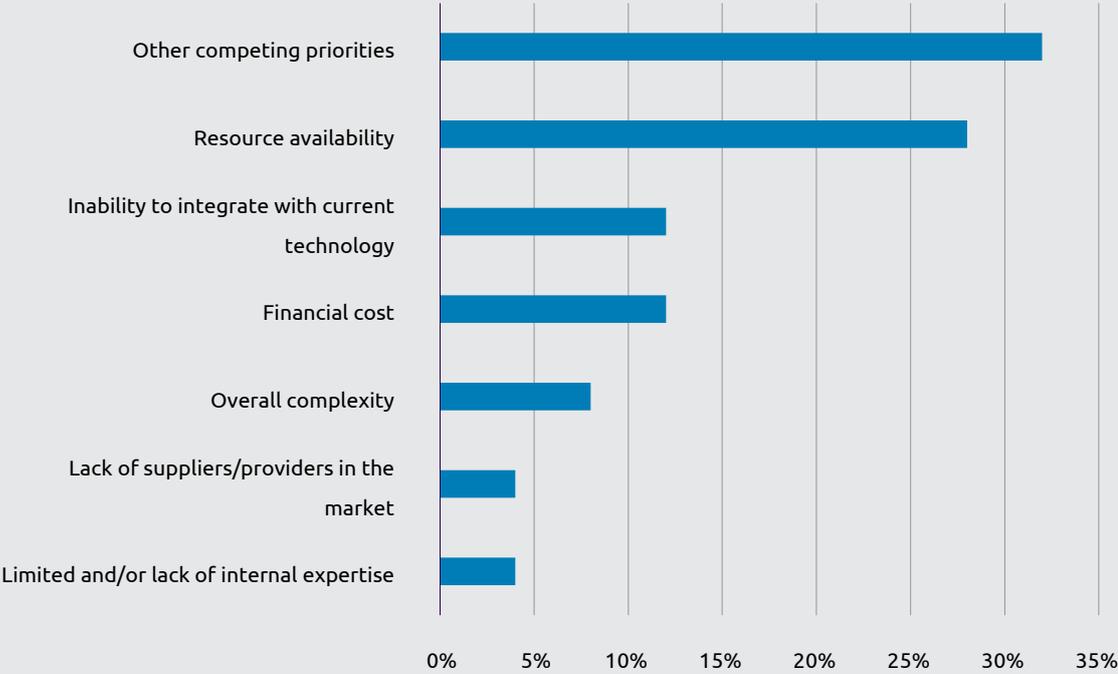


11. What are the top 3 offerings/capabilities that your customers are demanding but you are unable to provide at this time:

System application vendor	% of Respondents
Online execution of documents	38%
Online billing statements	38%
Ability to obtain buyout quote online	38%
Online credit decisioning	31%
Support for mobile devices	23%
Ability to price deals themselves	23%
Online payment capabilities	15%
Asset level invoicing	15%
Instant online quote	8%
Access to asset management information	8%
Ability to view payment history information	8%
Other (please describe below)	8%
Online application submittal	0%
Customizable reporting formats	0%
Other (please describe below)	8%
Other:	0%

12. Please specify your level of agreement or disagreement with the following statements as they pertain to your organization

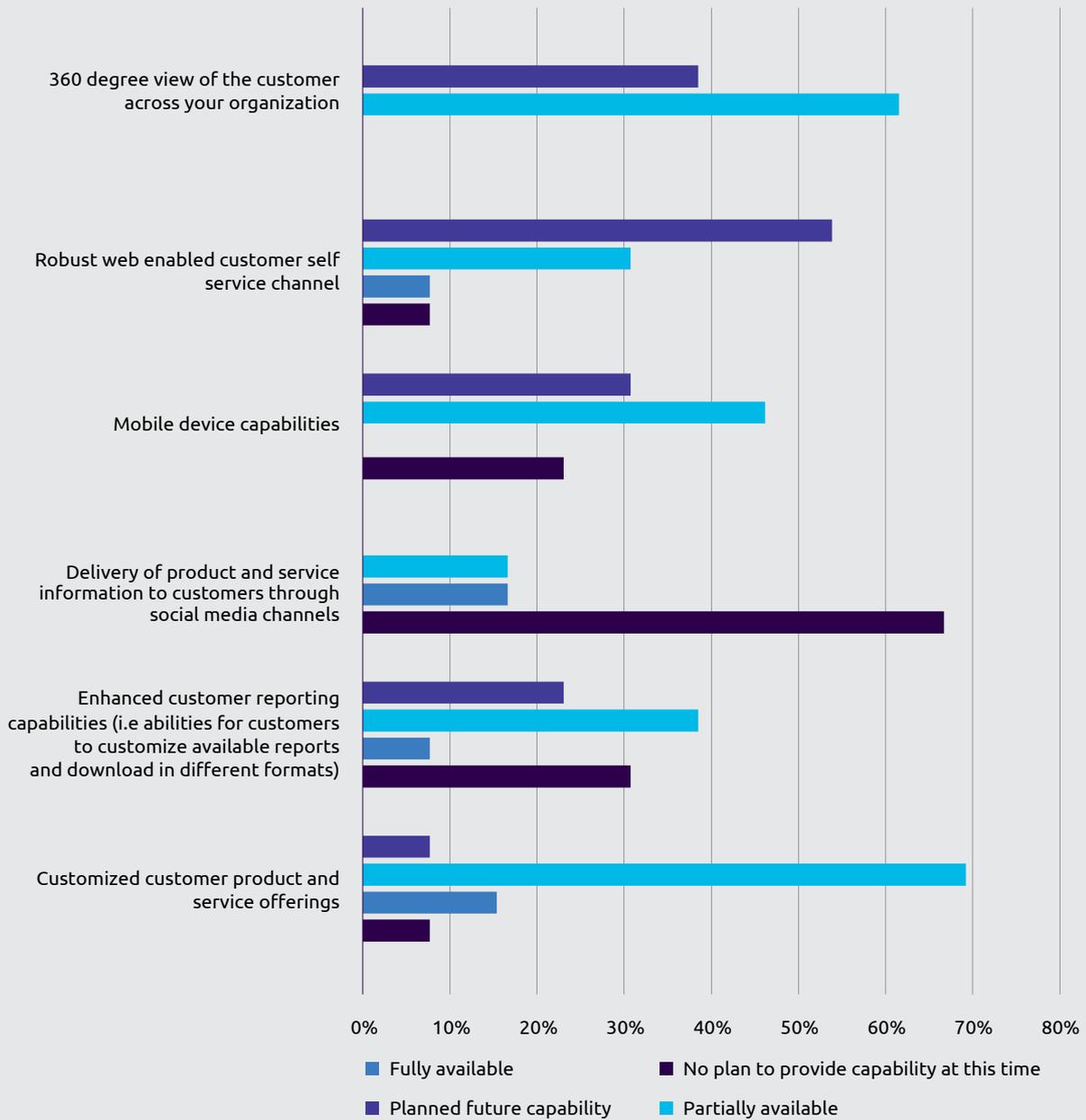
Figure 18. Barriers



13. Top organizations in financial services have enabled certain capabilities in order to deliver “best-in-class” service to their customers. Please identify your current delivery capability for each of the following:

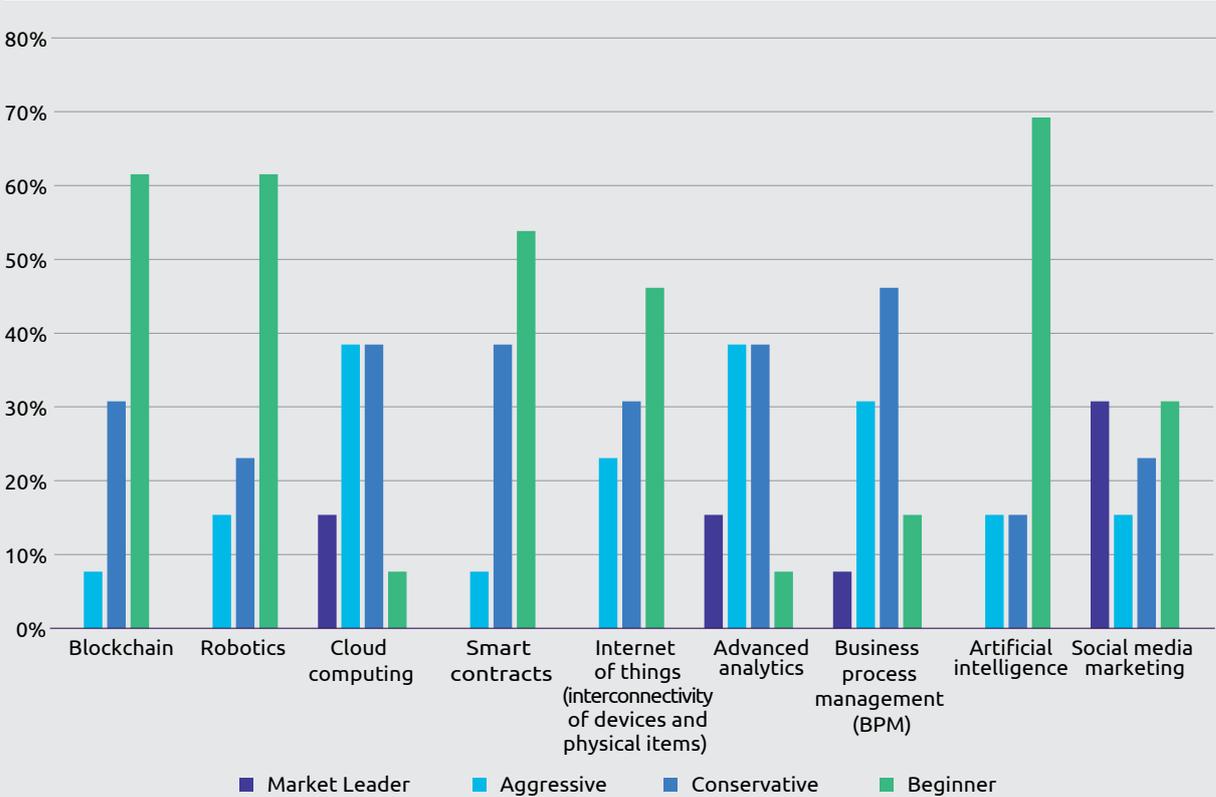
13. Top organizations in financial services have enabled certain capabilities in order to deliver “best-in-class” service to their customers. Please identify your current delivery capability for each of the following:

Figure 19. "Best in Class" services to their Customers



14. Where does your organization fall on the technology adoption life-cycle for the following new technologies?

Figure 20. Technology adoption Life-Cycle



15. What current IT and/or operational related issues are 'keeping you up at night'?

Top 10 Issues	
1.	Cyber security
2.	Pace of change
3.	Business Continuity
4.	Staying current on Lease accounting changes
5.	Creating a system upgrade roadmap
6.	Opportunities to reduce costs
7.	Focusing on building a portal strategy
8.	Lack of workflow capabilities in back end servicing platform
9.	Resourcing - Large number of projects and limited resources
10.	Finding the right system to meet future needs

About the Report

The 2018/2019 BTPI is the latest report in a series of publications on business trends, systems and technology available through the ELFA, the Equipment Leasing and Finance Foundation (ELFF) and Capgemini. Focusing specifically on trends in technology and operations and the adoption of these trends, the BTPI serves as the equipment finance industry's benchmark for information technology, operations direction, and spending in both areas.

Presented in the report is a summary of BTPI survey responses and a discussion of key findings. Also provided are insights into the continuing evolution of technology in the equipment finance marketplace collected from outside research.

The BTPI was written and compiled by Capgemini from August through October 2018. It is based on industry research and responses representing bank, captive and independent finance companies across a spectrum of ticket sizes, market approaches, and geographies. Most respondent companies are members of the ELFA. Other ELFA resources were also used to support the research, analysis and conclusions found in this report.

Participation in the BTPI is voluntary and free of charge. All equipment finance companies were welcome to participate and were invited to provide survey responses through an online survey. The report will be formally introduced at the 2018 EFLA Annual Convention in October and will be digitally available at: www.capgemini.com/btpi.

About the Authors

Authors of the 2018/2019 BTPI are members of Capgemini's Banking and Diversified Financials practice. This group focuses on the equipment leasing and finance market, working daily with companies to help them create more efficient and profitable operations. With more than 200,000 people in over 40 countries, Capgemini is one of the world's foremost providers of consulting, technology and outsourcing services, reporting 2017 global revenues of €12.8 billion.

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In collaboration with



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