



Executive Solutions

For Leasing and Finance, Inc.

2015 Annual Newsletter

It is an exciting time in our industry. Companies are profitable, growing, and hiring, providing candidates the opportunity to compete for rewarding and challenging roles. Our industry has survived some very trying years and it is a welcome pleasure to congratulate ourselves on achieving so many victories. Even so, let's all acknowledge that while 2015 looks promising, a lot of work remains to be done to ensure the long-term health of our industry.

Executive Solutions' dedication to the Equipment Leasing and Finance industry these past 25 years has given us an appreciation for the long view. We have seen enough cycles to know that while a rising tide lifts all boats it requires attentive planning to insure the long term ability to stay afloat when the inevitable down turn comes. We must utilize this time of success to *invest* in our industry's future with a recommitment to training. I know I am not alone in this observation. The ELFA is actively working towards bringing in and training the next generation of talent, and should be commended for starting the ETAC, or Emerging Talent Advisory Counsel.

Three Calls to Action

As an industry, I believe we must do the following three things to position ourselves to thrive rather than survive. We need to bring new people into our business and hire the next generation of talent from outside of equipment finance. We need to train that talent as part of a larger campaign to continually educate existing staff. This is a practical and necessary condition to allow the third step; conscious succession planning. In short, we need to proactively develop the next generation by focusing on the best and the brightest rather than reactively adjusting to changes in the economic cycle.

Despite the common if inaccurate assumption that there is an abundance of human capital out there, the talent pool is shallower than I can ever recall. Many finance veterans were forced out of the industry and we've gotten used to doing more with less. Most

importantly, we stopped investing in the next generation some time ago. Without the cohesion that follows from investing in the industry's human capital,, many have decided to leave for more stability and the opportunity to advance. Because of the reduced talent pool, very frequently my clients are finding that available candidates are cultural mismatches or the money doesn't line up to justify a career move. Many hiring managers feel frustrated by the prospect of hiring "retreads". When we don't deliberately work to attract and retain fresh talent we end up settling and business suffers. At some point the well runs dry.

Just as importantly, many companies are not prepared for the future because they don't have enough talent to execute a succession plan. If you ask yourself, "Do I have a deep enough bench?" what answer will you get? Consider your own management team. How would your company cope should something unexpected happen, like the resignation of a key manager? Looking farther into the future, is your next generation of leaders already on board? If we are realistic many of us probably have at least one, but more likely several, potential gaps in critical personnel infrastructure.

We have a unique opportunity to capitalize on the health of our industry as the economy seems to finally be on the right track. And true enough; some companies are taking action to create the next generation of talent. More companies are seeking fresh talent now than at any time in our corporate memory. That's excellent news for us as an industry, and anyone who is hiring recent graduates or junior veterans of other industries should congratulate himself or herself. Still, we must go farther. Hiring the next generation of candidates is necessary but *not sufficient* to develop the next generation of leaders. Hiring *without* a dedicated training program is short sighted and costly in the long run. Investing in training helps to reduce turnover while eliciting better results from your existing team. It ensures tomorrow's success.

The Way Forward

Executive Solutions is proud to have developed a strategy we are implementing with a number of our clients to develop a corporate wide training regime while proactively building staff by hiring less experienced talent. As individual companies, we all need to be this forward thinking.

First, it is important to critically evaluate your total human capital strategy. What culture are you creating? What compensation packages do you offer? How successfully are you helping your employees achieve their own professional goals? Don't assume that you remain synchronized with the rapidly shifting expectations you will face in 2015. Objective evaluation will provide the necessary information to develop a comprehensive and regimented training program that helps shape your people into productive and satisfied long-term contributors. Training is also essential in creating corporate-wide consistency in culture, values, and competence. Additionally, it demonstrates the value placed in employees because you're making a visible investment. This creates a team building experience that will enrich the environment for everyone and engender loyalty.

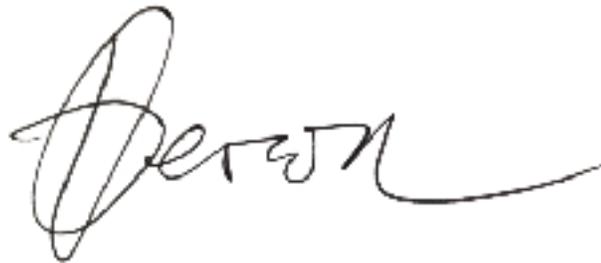
This is especially true of cross-functional training. People appreciate having expanded options and it allows you to flexibly deploy staff to address changing needs.

Next, it's essential to begin hiring fresh talent. Doing so costs less, as salary expectations are lower. This allows enterprising executives the opportunity to stretch their human capital budgets. The math is clear. Lower costs per hire mean you can hire more people. You can then deploy training dollars more efficiently across a larger "freshman class" while concurrently grooming your existing staff to create future leaders. Ongoing training will provide the means by which you will be able to identify your top performers. Focusing on middle management for immediate succession planning is best when combined with developing new hires for future roles in leadership.

These are not idle ideas; they are necessary calls to action. It is essential that Equipment Finance and Leasing recruit fresh out-of-industry talent. To make the most of that effort, we must invest in the future by instituting corporate wide training. Executing the two together will allow forward thinking companies to have confidence in their succession planning. This will ensure a deep enough bench to succeed in the next generation. Executive Solutions is proud to be working with such forward thinking companies and we're enjoying the pursuit of a diverse and "new" pool of talent.

As a second-generation company ourselves we are a successful example of deliberate long range planning. Teri Gerson began training me from the ground floor many years ago and I look forward to the next 25 years serving our industry. As always, I hope you had a wonderful holiday season in 2014 and here's to a prosperous and successful 2015! Let's make sure it's a forward-looking year.

Jon Gerson, President

A handwritten signature in black ink, appearing to read "Jon Gerson", with a long horizontal flourish extending to the right.

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