**TERI'S RETROSPECTIVE**

Hello everyone and welcome to my 22nd Annual Newsletter!  Over the last twenty-two years, we have worked hard to represent our clients with integrity, honesty, pride, and a deep personal commitment to become their partners. By embracing the principle that we must deliver far more than candidates in order to contribute to the growth and fiscal health of our clients.  This has earned us a reputation for being an executive search firm that has their finger on the pulse of the industry and one that can be trusted.  We are very proud of our reputation and absolutely determined to continue with our core mission. I would like to thank the professionals I have come to know and respect over these many years for the valued opportunities they have afforded me.  I'd also like to thank Helene Kugit, who has recently retired, for her professional contributions to our firm over her long career with us.  We are proud that she was a member of our team.

We're sending out our annual newsletter a bit later than usual because we have developed an expansion of the "Solutions" Executive Solutions provides.  They address some of the most difficult challenges our industry faces that we have seen repeatedly over the last two decades.  But before I get into that, I wanted to reflect on the last two decades.  When I started Executive Solutions in 1990 the Gulf War was in progress.  Uncertainty and concern over the instability of the Middle East and the impact it would have on oil prices had everyone on edge (sound familiar?).  Yet, there was an abundance of leasing companies of all shapes and sizes.  Although no longer in its infancy, our industry was vibrant, creative, and exciting.  The leasing product was unique and new to many companies seeking capital.  Our industry was the quiet giant...it grew and thrived and lots of people made a lot of money.  There was huge potential around every corner and lessors aggressively pursued market share.

Over the last two decades we've experienced many crises.  New products have been introduced and others de-emphasized and various niche markets have waxed and waned. As the leasing industry has matured, the leasing product is in direct and fierce competition with bank products.  Right now banks dominate the industry, with regional and community banks claiming an increasing piece of the pie. Smaller Independents and brokers were not always able to sustain themselves due to the funding crisis.  Savvy entrepreneurs took advantage of the shrinking number of resources and expanded.  Captives are not typically seen as a ................ step- child as much now as their value as revenue generating business units has come to be respected.  We've survived political gridlock, natural disasters, global instability, economic, political, terror based, and environmental disasters, and still, here we are.

**THE CHANGES, CHALLENGES, FAILURES**

The leasing industry is now referred to as the leasing and finance industry, and remains a massive business that is just beginning to develop in many countries while it continues to flourish in the US.  Those "older timers" among us recall many of the hallmark firms like Heller Financial, Copelco Capital, Comdisco, US Leasing, US Concord, Newcourt Capital, GE Capital and it's many iterations, and Citicapital, etc.  Other than GE, not one remains.  In today's landscape, some companies have chosen organic growth, while others have grown through acquisition. The recession has only exacerbated consolidation and acquisition, which have become the defining phenomenon. Of course new companies have emerged, but it is unlikely we will ever see the vast number of leasing companies we once did.

From where I sit, the biggest ***change*** has been brought about by consolidation.  Because there are fewer companies, opportunities are highly competitive resulting in many unemployed professionals.  Significant numbers of senior executives have refused to take their experience, knowledge, and capabilities and go quietly into the sunset.  Many have started new companies and some have become quite successful.  Others have gone the independent route and are sourcing and closing business as brokers while waiting for an opportunity to become re-established in the mainstream.  Some are sharing what they have gained over a working lifetime as consultants.  As the number of leasing companies has compressed, service providers have followed suit.  Mainstay recruiting firms have simply closed their doors or have shifted their focus to other industries.  A natural outcome of the recession is the benefit Collection Agencies have derived.

The biggest ***challenge***the leasing industry faces, in my opinion, is the aging talent pool because one of our greatest ***failures*** has been our inability/unwillingness to engage fresh new talent.  Very few companies have formalized succession plans in place for management.  Training is relatively non-existent for either the rank and file or managers.  We're losing bright young professionals-to-be to other "white collar" careers because we are dismally inept at getting the word out.  Simultaneously, as a result of consolidation and blurred differences in banking vs. leasing products, compensation potential is not as lucrative as it once was "back in the day" although successful people still earn handsome money.  There is a gargantuan contradiction between our insistence on hiring people who are established and can bring that always sought but usually non-existent book of business and our complaint that there are too many retreads and very few people with a driving fire and eagerness to achieve.  Perhaps more than any single factor this has paralyzed our industry and prevented us from evolving rather than simply aging.  It's all about the people, yet human capital has not been awarded the recognition or resources so urgently needed.  This flawed thinking has been like a huge punch in the gut that has left a hole in the very heart of our industry.   Other noteworthy contributors to the difficulties we face center around similar issues.  We have not taught managers how to manage.  Instead we tend to promote people into management roles because they have tenure or performed well in previous roles.  We have not adequately differentiated between managing and leading.  We have not established cohesive internal communication within our companies.  We have not provided essential tools and training to the people responsible for interviewing.  Frequently insightful and courageous entrepreneurs have started and grown impressive companies, but have failed to review and adjust protocols, processes, and plans to accommodate their growth and realize a greater ROI as they transition from small to mid-sized to large companies. What works for one size does not work for all.

With all of this being said, I believe in our industry and remain focused and committed to it.  We remain dedicated exclusively to the leasing and finance industry and the service providers who support it.  We see a bright future full of new horizons.  It may be different than what it's been, but it continues to be vibrant and exciting.  We need to grow and change personally and as an industry because that is what keeps us alive and strong.

I take tremendous pride and pleasure in the fact that my son Jon has committed his career to Executive Solutions.  He's been an integral part of the company for 7+ years now.  As he develops relationships with people and companies he continually brings a fresh and creative perspective to our service offerings and is more and more in the forefront.  His contributions in terms of strategy and new initiatives have been noteworthy.  I hope many of you have had a chance to get to know him or will in the near future.  And now, I will turn this over to Jon for a look forward and to introduce the exciting news I alluded to at the beginning of this newsletter.

**JON'S VISION INTO THE FUTURE**

Today I was talking to a candidate, and I made a passing reference to the fact that I joined the leasing industry only because it had been so good to my mother Teri.  He laughed, and told me that his son now worked at the company at which he had spent 25 years.  Just two weeks ago, I was speaking with a client who asked me how extensive our network was.  I responded by telling him that we had talked to his two sons over the years, both of whom were following in his footsteps.

With each year, my involvement in our industry continues to expand.  At the 2010 ELFA convention, I assisted Teri with a presentation.  This past October, I was honored to present my own session highlighting typical problems encountered in the interview process.  I suggested ways to improve the process and to more effectively retain talent once on board.   I was very gratified to see how well attended and received it was.  Like Teri, my goal is to continue to contribute in relevant ways to our industry, so, I'm pleased to announce I'm once again following in Teri's footsteps and have been selected to participate in the ELFA's Service Provider steering committee.

I believe all of the problems Teri highlighted above are grounded in what makes those of us who engage in the leasing industry so successful in the first place-we are entrepreneurs. Many of my clients speak with well deserved pride as they recount starting 10, 20, 25, and more years ago with little more than a lot of debt and seemingly boundless energy as they pass the $500mm & $1bb funded milestones.  Those characteristics of entrepreneurs that have produced impressive results, however, have also contributed to the problems we've referenced.  We have ignored the greying of our industry because we're focused on today's deal, and until something is on fire, we tend to put it off.  Addressing this issue requires time, resources, and change, which people tend to resist.  Many companies have grown so quickly that they still have the same policies and procedures (which for many, mean very few) as they did when they began.  Few companies have established training practices, continual process improvement, effective communication, or on-going staff appraisal.  THERE IS BUSINESS TO BE DONE.  In short, our forward charging ambition often causes us to lose sight of the structure under which we operate.  This prevents us from building a better machine.

One of my clients asks every candidate he interviews if s/he would advise his/her son or daughter to enter the industry.  This question speaks to how Teri and I plan on continuing our contribution to the success of the leasing and finance industry for the present as well as success of future generations. Teri's answer to that question, of course, would be a resounding YES, and I have been thrilled to follow in her footsteps.  We've both been talking a lot about being an entrepreneurial group of professionals.  In that vein, Executive Solutions is proud to take it's place as an innovator by providing a whole new suite of products that we hope will strengthen our industry so that it is as healthy and vibrant in 22 years as it was 22 years ago when Teri began our firm.  We will be launching in the near future to address the issues we have detailed in this Newsletter. We're very excited because, after 22 years, we have seen many of the same mistakes repeated over and over again and have been witness to the resulting problems.  We know beyond any doubt that there is urgent and critical need for the solutions we will be providing as we expand our products/services beyond the identification and delivery of talent.  These new services are the result of a great deal of discussion, evaluation, information gathering, and decades of experience working with every shape and size of leasing and finance company.  We know where the pain is, and have designed a flexible need-specific array of Solutions that we look forward to sharing with you.

Take a moment and imagine the benefits if more of your sales people were performing at or above expectations consistently.   Imagine if all of your sales people were focused in the same direction.  Imagine if your sales managers weren't improvising or reacting instead of being proactive.  Imagine if you could increase the likelihood of new hires being successful faster and more often.  Imagine if you weren't spending time putting out fires that arise because of inefficient or outdated polices and procedures.  Imagine if you could reduce your cost per transaction.  Imagine if your vision was effectively communicated not just to your closest staff, but new hires, your customers, and your funding partners.  Imagine if...

Imagine a set of solutions from Executive Solutions that delivers these results.....

We'll be sending out an announcement shortly that will delve further into this exciting product launch.   We look forward to working with you to incorporate customized solutions for your unique needs.  Here's to a future where my children will be writing this annual Newsletter!

On behalf of both Teri and myself, thank you for your input, loyalty, and time.  Let's knock it out of the park in 2012!

Regards,

Teri Gerson, President

Jon Gerson, VP Strategic Innitiatives