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## Think Globally; Act Locally

From a truly universal perspective, **John A. Evans** explains how leasing companies can globalise their business to compete in on the international stage, without compromising value and service

THE concept of the global marketplace is far from new, but it continues to evolve. More than ever, global companies must rethink traditional methods of conducting business in order to retain international scale.

As the leasing industry continues to become more and more competitive, leasing companies are looking outside of their own industry for talent, creativity and new business opportunities. Companies of all types and sizes are looking for new ways to attract and retain talented employees, and to differentiate themselves from competitors around the world.

Just as the world's economy continues to develop, so do the paradigms governing how business should be conducted. What sets successful global businesses apart from the rest is the ability to continually adapt to this changing business environment.

### Building Business Relationships

These days, companies are looking for equipment finance partners – and business partners of all types – who are invested in the business relationship, not just those who are only available when it's convenient. Clients are looking for partners that can weather the storm with them through business challenges such as major changes in their markets and products, mergers and acquisitions and economic ups and downs. Increasingly, they're looking for partners who can sustain these relationships across international borders.

To succeed as a global business, companies need to tear down the barriers that separate employees, partners and clients in different countries, or even different continents. What starts as a local need often turns out to be a much larger organisational strategy to execute against, which requires input from decision-makers based around the world.

Lessors and their customers – and indeed businesses of all types – need to determine quickly how to secure the relationships and alignment to work within a global structure. It's important that representatives from various parts of the world work together in order to balance the global strategic need with local deployments and control.

The basic benefits of leasing are similar the world over. Companies from Canada to South Korea lease equipment of all types because of benefits like flexibility, tax advantages and the ability to obtain equipment while conserving cash.

Regardless of language, location or societal norms, companies worldwide appreciate that lease approvals can be granted quickly and easily and leasing protects against equipment obsolescence and various lease structures can be customised to meet specific needs.

As everyone is aware the policies, procedures and social customs that govern the way business gets done vary significantly from country to country. One example of how we are helping overcome these differences is through country-specific web sites. With more than 15 country-specific web sites, we are able to make detailed information about our company, products and services available at the click of a button, while taking into account regional differences in tax and accounting regulations and the different products offered in different countries.

### Vendor Finance

One way lessors can help make their clients more competitive in a global marketplace is through the development of a truly international vendor finance program. A well-structured and managed finance program can provide substantial advantage for equipment manufacturers and dealers, both in terms of customer management and financial management.

The right finance partner can mean the difference between a successful finance program and one that fails, and the selected lessor must be committed to providing an effective program to the vendor by creating an effective partnership. Key Equipment Finance has been in the global equipment finance market for 25 years. Operating in 26 countries, we have some of the longest-lived equipment finance programs in the industry.

The classic benefit of offering a finance program is acquisition, growth and retention of customers for equipment manufacturers and dealers. A financing option can overcome such typical customer issues as obsolescence protection or budget restrictions, as well as helping vendors control the aftermarket.

But lessors need to come to the table with more than just a traditional finance program and a commitment to the relationship. Increasingly, international vendor clients are seeking solutions that have a true, international focus, rather than several regional programs rolled out in different parts of the world.

**True Globalization**

When it comes to capabilities, there is a big difference between lessors that operate in a vacuum in multiple countries around the world and those that have a truly global organisation that shares industry expertise, knowledge and best practices across all localities. The true test of whether a lessor can support a global client around the world lies in the behind-the-scenes processes.

For example, does the lessor systematically develop products and services at a global level? Does the lessor export these capabilities to other regions, or is it using the traditional set of products native to its region and simply enhancing them as competitive pressures dictate?

Providers offering financial solutions worldwide need to treat individual countries as distinct entities. They must tailor their collateral to the requirements of each market and make it available in the local language. More importantly, they should have a presence on the ground in all key countries and employ local salespeople who can understand the local business culture and discuss local issues. The successful global business strategy is one that can provide competitive advantage and value worldwide, with a focus on local customs in each, unique market.

A successful global vendor program depends on a lessor that can provide significant global coverage, rolling out one cohesive program across multiple continents, whilst

also providing strong local support. This is important because program effectiveness can depend just as much on knowledge about local customers and marketplace as it relies on knowledge of industry and equipment expertise.

**Functional Support**

The way a lessor chooses to organise its functional support team says a lot about whether the company has a truly global business philosophy or just operating silos of businesses located in different countries.

For example, a company like KEF organises its support functions such as human resources, marketing, credit and others all to report up to one, centralised location. This organisational structure reflects a strategic emphasis on providing competitive positioning globally, while reflecting local customs and preferences.

**The Road Ahead**

There's no question that companies doing business internationally can expect to see further changes in the way business gets done. While equipment finance is an important component of the successful company's business strategy, finance companies with an efficient global reach are also leading the way when it comes to negotiating successful, international business relationships.