

# BEYOND FINANCE

CUTTING EDGE RESEARCH AND INSIGHT FROM BNP PARIBAS LEASING SOLUTIONS

## LEASING AND THE CHANNEL IN 2017



**BNP PARIBAS**  
**LEASING SOLUTIONS**

As featured in

**COMMSBUSINESS**  
The No.1 Magazine for Voice, Data and Mobile Channels [www.commsbusiness.co.uk](http://www.commsbusiness.co.uk)



*Through leasing, organisations can maximise their budget potential and invest in the equipment they need.*



**By Tristan Watkins**  
CEO, BNP Paribas Leasing Solutions UK

The leasing market is in good health. The latest figures from the Finance & Leasing Association (FLA) show that asset finance new business, composed mostly of leasing and hire purchase, increased by 13 percent last November compared to the previous year. By the FLA's estimates, this is the 38th consecutive month of growth.

This growth has been particularly strong in the business equipment and plant and machinery finance sectors. For sectors such as agriculture, materials handling, construction and commercial vehicles (CV), leasing is an established and accepted means of financing new equipment and the markets are quite mature. However, IT is a market with a lot of growth potential as end-users increasingly seek more flexible finance, encouraged by the success of new models such as Software-as-a-Service (SaaS).

Gartner estimates that worldwide IT spending was flat in 2016, suggesting that the market is moving away from big upfront purchases. As a sign of things to come, IT financing in 2015 reached a huge 2.2bn – up 38 percent up from the previous year.

## 1. THE BREXIT EFFECT

The most immediate effect of the referendum has been to push up the cost of some products and technologies, due to the fall in the value of Sterling. This makes it harder for businesses to make an upfront investment. Rather than make this investment and compromise their cashflow, they may choose to put off essential upgrades or investments or end up diluting their system to fit restricted budget capacity. They are then left with a sub-optimal solution that can only be flexed during the following financial year when a new budget is released.

Leasing equipment rather than buying it outright can help end-users manage economic uncertainty by spreading out the cost throughout the lease, with predictable regular payments making it easier to budget.

## 2. THE BENEFITS OF LEASING

For end-users, leasing offers predictable monthly payments and fixed prices over the term of the contract, and inflation does not affect the monthly repayments throughout the life of a lease contract. It also provides an easier upgrade path to new equipment and helps to scale to new demand and meet growth.

Businesses can stay on top of their refresh cycle and, rather than being stuck with obsolete, out-dated equipment, they can easily upgrade at the end of their contract. The finance provider then takes care of the safe disposal or reuse of the equipment.

Through leasing, organisations can maximise their budget potential and invest in the equipment they need. With smaller upfront costs and manageable monthly repayments, there is no need to compromise and vital cash reserves can be allocated to strategic use.

A lease agreement can also roll up support, training, maintenance and multi-year or multi-site implementation costs into the regular payments. If a business requires a comprehensive comms platform, this can give much-needed peace of mind: no technical hiccups, no issues with integrating it into an existing setup, and no need to waste resources on support or maintenance.

For solution resellers, this creates a chance to cultivate deeper relationships with customers, increasing the potential for repeat business as, unlike with an upfront transaction, the dealer doesn't walk away from the customer at the end of the transaction. As the relationship progresses, the dealer can gain a better understanding of the customer and will become better placed to cross-sell or upsell useful extras.

## 3. BNP PARIBAS LEASING SOLUTIONS' OFFERING

We've introduced a number of innovations to improve the customer experience including new tools to simplify the sales process for our partner network. This includes 'Lease Offers' which is an online lease application tool for partners operating in tech markets. Partners can submit, track and edit credit applications in real-time, which can help to close sales opportunities more quickly and help build better relationships with clients. We recently introduced LeasEsign which underpins our digital strategy, designed to enhance, accelerate and simplify the customer experience.

We offer our partners a unique in-house training programme, called Finance Unlocked, to make selling finance easier and help customers overcome budget hurdles by offering flexible payment alternatives. Our leasing experts, experienced in finance and equipped with a peerless knowledge of the tech sector, can provide expert advice on short and long-term leasing strategy.

We're also able to offer 100% software finance and include a higher proportion of other related costs within a lease agreement. This can include essential items such as professional services, training, installation and maintenance.



TO FIND OUT HOW BNP PARIBAS LEASING SOLUTIONS CAN HELP YOU UNLOCK YOUR  
BUSINESS POTENTIAL PLEASE EMAIL: [MARKETING.LEASINGSOLUTIONS@UK.BNPPARIBAS.COM](mailto:MARKETING.LEASINGSOLUTIONS@UK.BNPPARIBAS.COM)



**BNP PARIBAS**  
**LEASING SOLUTIONS**

Business is ON