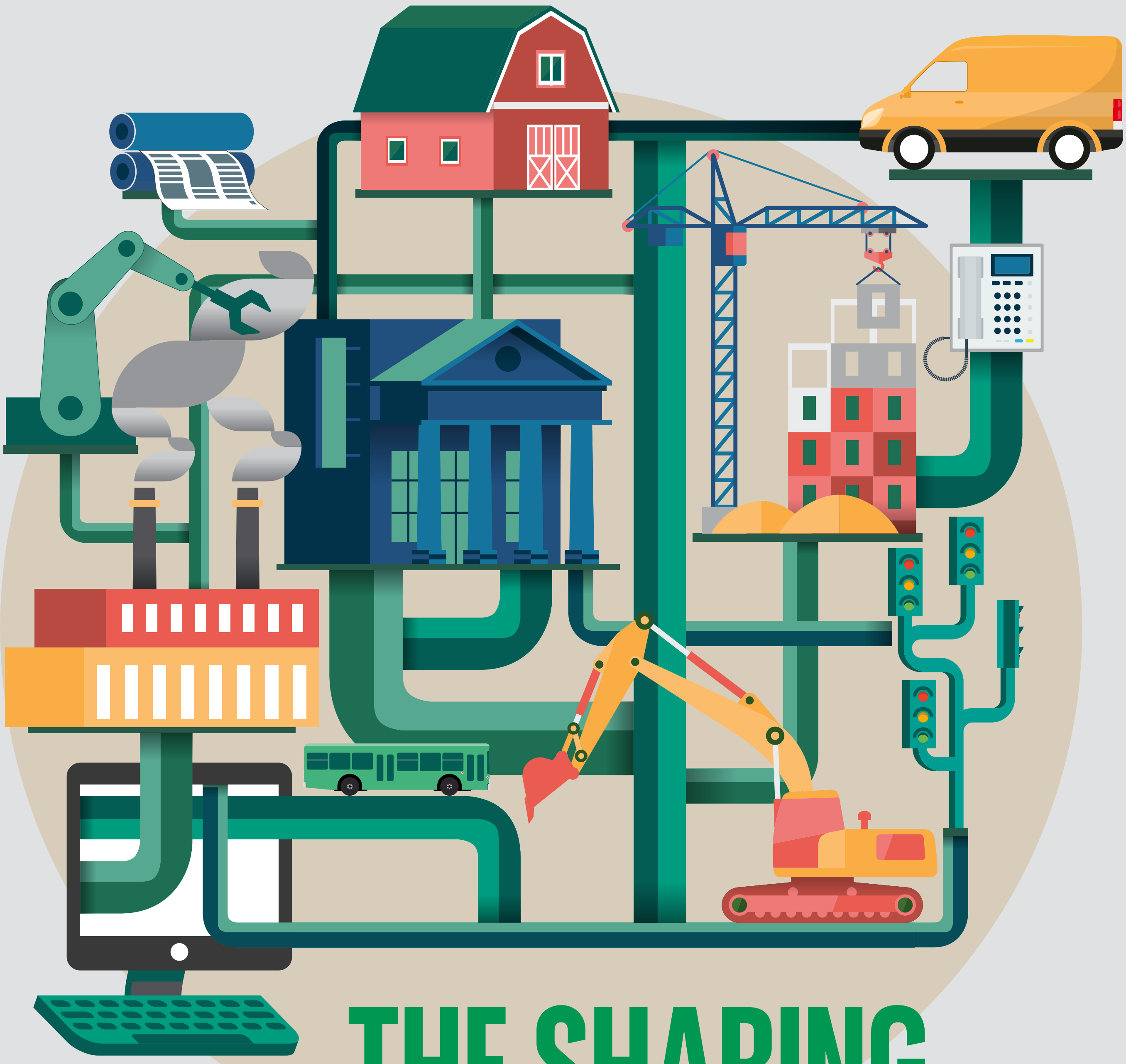

THE SHARING ECONOMY

BNP PARIBAS
LEASING SOLUTIONS

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INTRODUCTION: THE ECONOMICS OF SHARING AND CIRCULAR ECONOMIES

The idea of the "sharing economy" has achieved the rare success of attracting enthusiastic support from both business leaders and environmentalists.

The former see the potential financial gain from unlocking the value of assets otherwise lying idle. The latter eye the potential for eliminating waste inherent when businesses insist on owning assets rather than sharing them.

This idea is central to the concept of the "circular economy" where, as the Ellen MacArthur Foundation thinktank puts it, growth comes from within by increasing the value derived from existing economic structures, products and materials.

While most attention to date has been on consumer-focused applications such as Airbnb and Uber, the business-to-business opportunity is vast.

According to PwC, industrial equipment typically runs at 80% of capacity. Economist Rob Vaughan says the potential to unlock the value pent up in under-used assets is just as applicable to business-to-business space as to peer-to-peer sharing.

Leasing promotes the circular economy, with the sharing and circular economies allowing users to do more with less. The concept itself is an interesting one and leasing plays a key role in accessing and refurbishing equipment. Given the importance and popularity of subscription, we are seeing a shift towards a lease model. The global leasing market posted its fourth successive year of growth in 2014, according to White Clarke Group. Its 2016 Global Leasing Report shows a 6.8% growth in contracts to $944.3 billion. The UK grew by 16.5% to $78.2 billion, making it Europe's largest market.

The shift towards the sharing and circular economies is a response to a number of economic trends that have come together to make temporary use of an asset superior to owning it.

There are three main factors that explain why sharing has grown and how it can boost growth. The first is a continual need among businesses to find efficiency improvements within an increasingly competitive global economy.

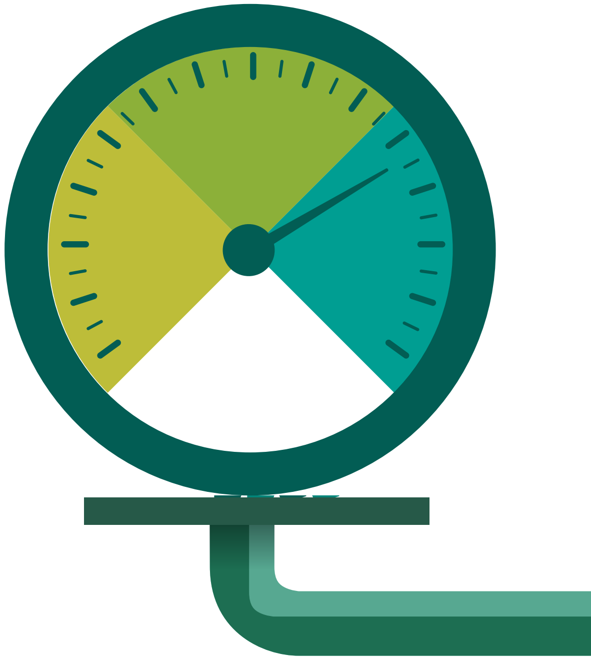
For owners of assets this means finding ways to "sweat" assets such as plant equipment and machinery - or even intangible assets such as enterprise software systems - across sectors from manufacturing to healthcare. Users gain by leasing an asset rather than owning it so freeing up resource for investment elsewhere.

The second is an increased focus on sustainability and reducing waste. Third is the technology revolution that has made hiring or 'subscribing' to equipment via cloud based applications quick and simple.

Commercial leasing is tailor-made for the subscription economy — and has been fulfilling that role for years. More importantly by developing a functional economy through leasing it supports the transition towards a circular economy. Sharing in this case really is caring.

CONFIDENCE BAROMETER

In times of economic uncertainty, leasing offers a strong alternative to capital investment



When news broke that the British public had unexpectedly voted in favour of leaving the European Union on 23 June 2016, the markets went into a tailspin, with the pound plummeting to its lowest level since 1985 and stocks listed on the FTSE 100 taking a pounding.

As a period of political chaos began – with David Cameron's shock exit and the subsequent leadership battle – many commentators warned that Britain may plunge back into recession and would lose its status as an economic powerhouse and global financial centre, as major corporations would look to other cities such as Frankfurt to base their European headquarters. As well as having an economic impact on Europe as a whole, commentators feared that political uncertainty would follow, with other nations within the EU looking to follow the UK's lead.

So what has happened almost a year later? While there is still much to play for (no Brexit, 'soft' Brexit nor 'hard' Brexit) and the legal process yet to be completely clarified, one thing is clear – Armageddon has certainly not happened in terms of economic growth.Challenges remain, however, and according to the latest budget statement, in March 2017, the UK is forecasting 2 per cent growth for 2017, up from previous estimates of 1.4 per cent. In 2018, growth forecast is set to fall to 1.6 per cent, before rising back up to the figure of 2 per cent in 2021.

RENTAL PAYMENTS ARE BASED ON THE CURRENT PRICE OF THE EQUIPMENT, BUT THE COST WILL BE SPREAD OVER SEVERAL YEARS

At the time, governor of the Bank of England, Mark Carney, told journalists that consumption has been even stronger than policymakers had been expecting, 'with households appearing to entirely look through Brexit-related uncertainties'. However, that's not to say the economic outlook is rosy. As Carney cautioned, the pain is merely being delayed, and a post-Brexit UK is likely to have lower living standards.

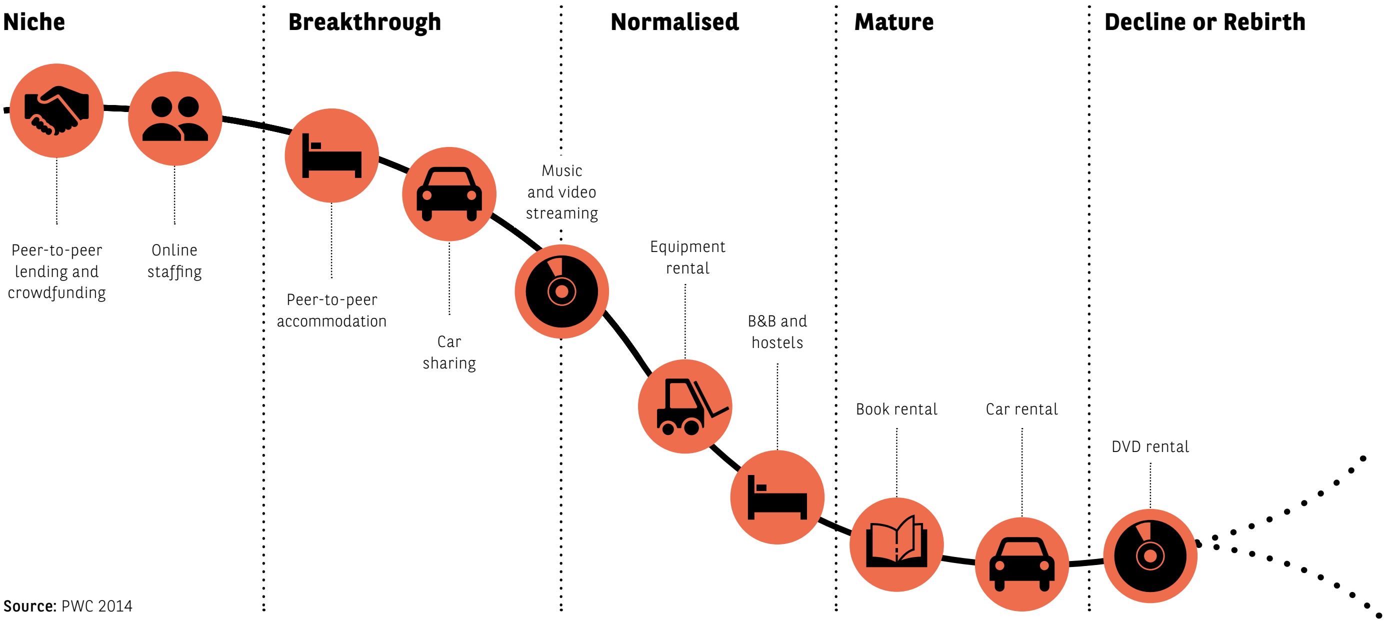
There is also the problem of the pound, which in the weeks following the vote had plunged around 16 per cent against the dollar since just before Brexit, and the pressures on the pound do not appear to be abating anytime soon.

This, in turn, means imported inflation will come in above forecasts, leaving policymakers at Threadneedle Street under pressure to lift interest rates from the record low of 0.25 per cent.

PRICE INCREASES

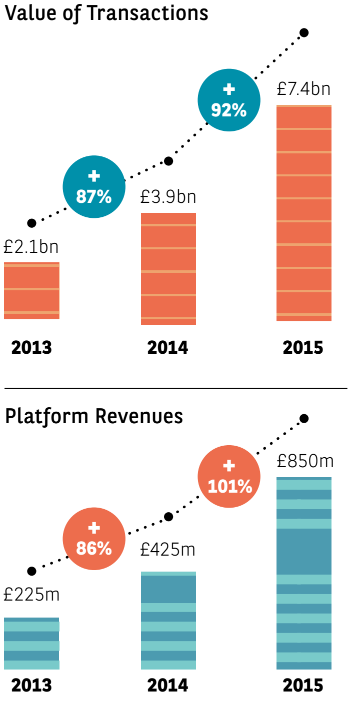
As the impacts of such an unprecedented move take effect, what does this all mean for Britain's

The sharing economy life-cycle



Source: PWC 2014

Revenues and total transaction value facilitated by sharing economy platforms in the UK



Source: 2016 PwC analysis

commercial leasing industry? According to Andy Milsom, head of training and partner development at BNP Paribas Leasing Solutions UK, the price of imported products has already started to increase.

In its research on the price increases that manufacturers of business equipment and plant and machinery have already imposed – or are likely to impose – on their UK distributors as a result of the depreciating pound, BNP Paribas Leasing Solutions found that increases of between 7 and 12 per cent appear to have been either imposed already, or are 'in the pipeline'. While these may be absorbed in the short-term, eventually these prices will have to be passed on to end users.

As for businesses that need to upgrade equipment, he suggests they take action now rather than when they need it, to avoid future price increases.

'My view is that while little can be done to offset the increased cost of consumables, acquiring capital equipment now, perhaps ahead of scheduled replacement, can give users the opportunity to finalise a deal before price increases come into effect. Taking a decision to bring forward investment decisions can put pressure on budgets – and this is where leasing can offer a solution,' he says.

'Leasing is a great alternative to capital expenditure as rental payments will be based on the current price of the equipment, but the cost of acquisition will be spread over several years. Another factor to consider is that lease rates are fixed for the duration of the agreement which offers a further degree of comfort to businesses looking for some certainty.'

'Dealers, manufacturers and resellers who sell imported capital equipment should maximise the short window of opportunity now.'

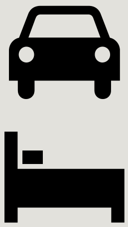
He adds that he doesn't believe businesses need to panic and cut investment due to Brexit, as it will take at least two years for negotiations to end, following months of preparation and legal appeals. 'Unlike consumers, business leaders are expected to apply more long-term planning to their decisions, however there is no reason for there to be an immediate, knee-jerk reaction,' he says.

'Leaving the single market is at least two years away and if the Government is unable to negotiate access to that market on terms acceptable to companies needing to trade on current terms, they will have time to fully consider their next phases of investment.'

Brexit presents opportunities and challenges, and the full consequences are yet to be entirely apparent.

TRANSFORMING THROUGH TECHNOLOGY

Rapid technological advances are causing a shift towards subscription-based models



50%

Market share of "sharing companies" in car-rental and holiday accommodations sectors

$25m

Xiaozhu, China's low-cost version of Airbnb, secured $25m in funding between 2013 and 2014

In the digital age, technology is transforming the way business is conducted at every stage of the supply chain. It's the catalyst that powers a shared economy that values access over ownership. This trend is reflected by consumers, who are showing a sharp preference for subscription-based services, while small and medium-sized companies in high-tech industries are embracing models where they pay for usage so they can keep pace with change and release capital to power their core businesses.

The shift from ownership to usage is a profound and secular change and the rise of 'Software as a Service' (SaaS) is redefining the way companies and their customers behave. Technology is the key enabler in a revolution that allows manufacturers to provide assets to people who need them on a pay-per-use basis. A survey by The Economist in 2015 revealed that 38 per cent of business buyers take subscription-based services and that this trend will accelerate.

'What happens in consumer space makes its way into the business workplace. The sharing economy is becoming more and more widespread in the business-to-business market. Businesses are more inclined towards subscription-type services than they were four or five years ago,' says Pascal Layan, COO of BNP Paribas Leasing Solutions. Millennials are already accessing services on a pay-per-month basis and as they enter the workforce and become key decision-makers, the businesses they work in will adopt subscription based or leasing models which offer immediate access to essential assets without upfront capital investment.

This proliferation of subscription-based models in the business-to-consumer segment is particularly evident in the adoption of cloud-based and managed services, which have disrupted the traditional hardware market. Last year, US giants Dell and EMC agreed a $67bn merger in response to a fundamental shift by their customers away from asset ownership. A survey published in September 2016 by McKinsey & Co declared the cloud debate to be over, and delivered a stark conclusion: 'In the next three years, enterprises will make a fundamental shift from building IT to consuming IT.'

CLOUD COMPUTING

According to McKinsey, which surveyed 8,000 chief information officers, while only about 25 per cent of companies in 2015 used public infrastructure as a service as the primary environment, that percentage is expected to rise to 37 per cent in 2018. Pressure to reduce costs and meet the ever-growing demands of end customers are driving forces behind the acceleration of the use of cloud services.

SaaS allows users to subscribe and use application software in the cloud but subscription-based models also apply to cloud computing or 'infrastructure as a service' and operating platforms or 'platforms as a service'.

These models mean users needing more computing capacity can access it quickly – at any level – and then reach the data they need from any device. And improvements in encryption and security mean server providers can ensure customers are better protected.

An improvement in security has been a significant factor in persuading the financial services sector –

which has been slow to adapt to cloud services, relying instead on ownership of proprietary servers – to move towards a subscription-based model. For big banks, the advantages of using cloud services, such as being able to deliver products globally and on-demand as well as reducing costs to meet tougher regulatory capital requirements, have been outweighed by risks associated with data leaks. 'A lot of banks were against cloud-based services, forcing infrastructure providers to raise their game by improving the strength of their networks and data.' [McKinsey] In February 2017, HSBC went live with its first major cloud deployment, revamping a number of its back-office processes.

The benefits to start-ups and small and medium-sized enterprises are self-evident as they can rent the latest technology, thereby lowering the barriers to entry in virtually every industry so they are not constrained by working-capital requirements.

While leasing and subscription-based models used to be seen as expensive alternatives to asset ownership, they now have a critical role to play in a world where the sheer pace of technological development means small and medium-sized companies dare not risk spending capital on owning and maintaining their own servers.

ANNUITY BASIS

The shift by customers from asset ownership to a subscription-based model distorts the business models of manufacturers, who bear the costs of production but only earn revenues on a monthly basis. Where previously companies would sell an asset and realise their invoice value on day one, under a subscription-type economy companies must have the capital means to offer the customer the service or the product on a two-year basis and expect that money on an annuity basis, month-by-month or quarter-by-quarter.

Often, companies don't have the upfront capital on their balance sheet to offer a subscription service. 'Leasing solutions have a big part to play in helping manufacturers and resellers make the transition to a pay-per-month subscription model by providing capital to the manufacturer and its distribution channel on day one, then offering a hybrid subscription-like model to the end-user,' says Layan.

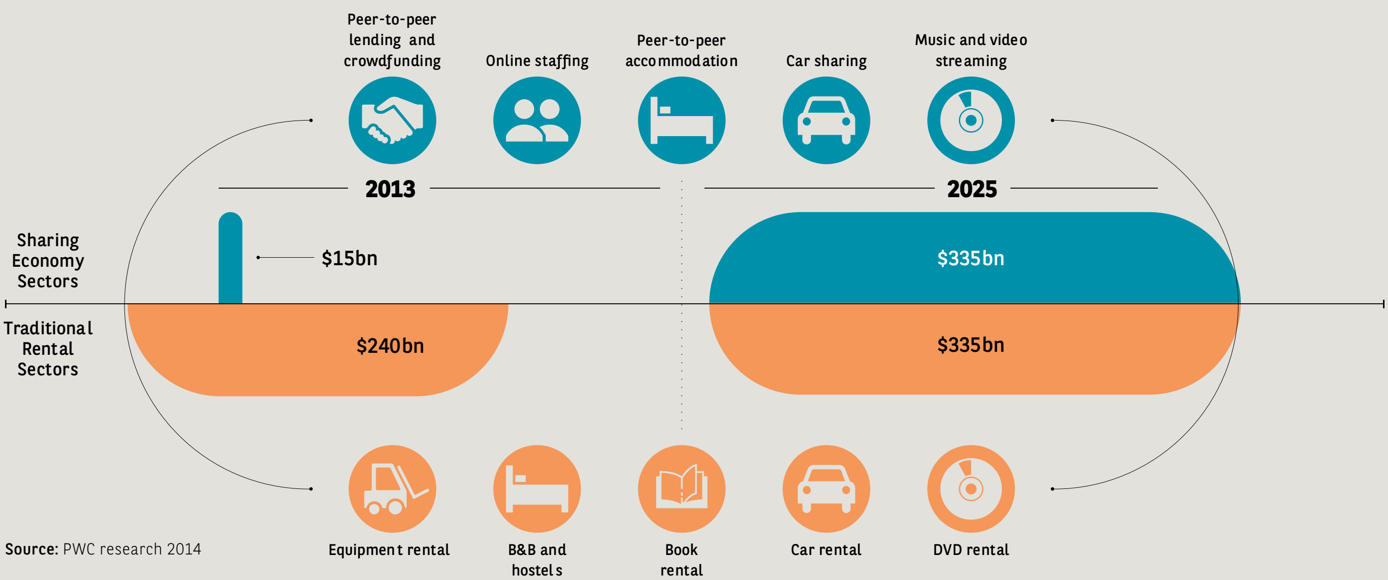
The so-called hybrid subscription-like model is particularly suited to hi-tech industries and highly regulated sectors such as medical supplies and biotechnology. In the radiology sector, the need to have perfectly maintained equipment that can be kept up-to-date and meet regulations favours a leasing rather than an ownership model. 'Paying on a per-usage basis suits the healthcare sector, where companies adopt a budget approach,' says Layan.

Faced with this threat from the shared economy, whether for cars, equipment or music, traditional manufacturers are being forced to respond to – and embrace – different approaches to business and financing. Traditional industries that have made the leap include the automotive sector, which has responded to a market dynamic where consumers are no longer searching for ownership.

$46m
Economic impact of Uber's operations in Chicago in one year

$258m
Google's investment in Uber

Sharing economy sector and traditional rental sector projected revenue opportunity



Source: PWC research 2014

THE FUTURE WORKPLACE

Offices of the future will be usage-based, multifunctional and adaptable

Today's offices were built to solve problems that existed in the past. But modern working practices are making those workspaces obsolete and paving the way for more innovative financing and usage-based models.

Changes in demographics and advances in technology are driving demand for a new way of working – a dynamic working environment that must adapt to the needs of its workers, rather than the other way around. Companies are looking to technology to create the workplace of the future – one that is focused on boosting staff productivity, recruitment and retention.

Within a generation, the notion of the office has moved from a place where staff sit at desks in closed offices, to open-plan offices, to new agile working environments in which staff may not have a desk at all. Meanwhile, flexible working has gone from being a worker entitlement to an essential tool that organisations believe will boost productivity.

A workplace that worked for baby boomers may not be suitable for millennials – digital natives who communicate remotely through smartphones, video conferencing and social media. They no longer see the office as a fixed permanent location where they go every day. Technology and the cloud mean employees can carry their offices with them wherever they are, and email allows them to be permanently connected.

This diminishes the importance of the physical workspace, and challenges companies to re-think the physical world. The rise of the usage economy means companies are no longer looking for ownership of physical assets, but rather seeking the flexibility to remain agile to business trends and economic cycles.

Maintenance is no longer the responsibility of the tenant. Landlords must partner with experts to provide a 'future-fit' workplace. At the same time, the pressure on companies to reduce costs and capital expenditure is another powerful factor driving companies to reduce their reliance on owning and managing physical office spaces.

Global companies are encouraging more of their staff to work from home in an attempt to control expenses as well as boost productivity and staff engagement. And as they sell off or close expensive office spaces in favour of new, more cost-effective spaces, they want a purpose-built offering.

ELASTIC ENVIRONMENT

The majority of people in knowledge-based roles can now do their jobs with little more than a phone, a laptop and an Internet connection. According to a survey by Deloitte, the workplace of 2020 is characterised as 'elastic' in nature. Elasticity must prevail in work practices and strategic decisions as digitisation and the social experience become even more ingrained in the worker's day. For a workplace to remain agile and mobile, as well as data-centric, C-suite decision-makers must be able to predict what changes will occur in their industry and adjust their transformation plans constantly.

These changes mean the offices of the future must be multifunctional, adaptable spaces where employees can gather to innovate. For example, some companies now look for 'activity-based offices', which operate different zones, such as presentation rooms, larger rooms for generating ideas and smaller spaces for quiet working.

To reap the benefits of technology, businesses must re-think their approach to the office in terms of design and inventory. Leasing office space is a long-established trend, but with fewer people working office hours, in a smaller physical space, it is an approach that companies should apply at every level. As technology continues to advance, assets begin to depreciate as soon as they are bought – now more than ever. The notion of leasing commonplace office equipment and supplies suddenly becomes more appealing – and cost-effective – especially when cash flow may be needed for other elements of an agile workplace transformation.

'If you want to be efficient you always need new technology and this is only possible if you lease. If you want to have ownership that means keeping an asset for five years, even if it's obsolete,' says Pascal Layan, COO of BNP Paribas Leasing Solutions.

HOURLY BASIS

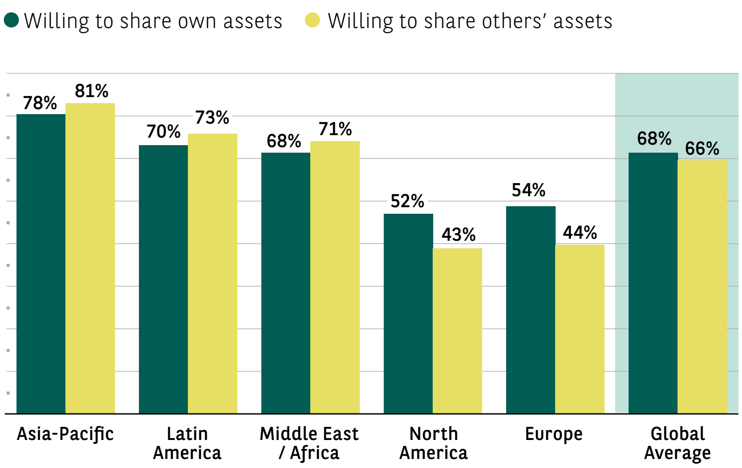
As well as big global companies seeking to re-engineer their workplaces to fit the changing needs of staff and customers, smaller start-ups have grown up with a vision of the agile workplace. They may only need space on an hourly basis to meet clients or use video-conferencing facilities and are comfortable with pay-per-usage models. The onus is on landlords to provide a future-proof working environment.

Along with landlords and tenants, service and infrastructure providers are embracing the future workplace with subscription-based models. For example, Amazon's cloud computing business is now taking on the likes of Microsoft and Cisco Systems with the launch of Chime, a video-conferencing service for its cloud computing users. The new service will enable customers to have conversations and video conferences wherever they are based, using desktop computers, iPhones or Android devices. This bundling of services on a pay-per-usage basis mimics the approach that mobile phone and broadband players take to consumer markets.

The use of subscription-based services in the offices of the future will accelerate as more millennials move into decision-making roles in the economy. PwC cites a recent Eurobarometer poll, which found that a third of 25–39-year-olds have used a sharing economy service – and are three times more likely to do so than those aged over 55.

'The adoption of subscription-based models is driven by a shift in consumer behaviour. There are now a whole bunch of services people are happy to rent as consumers, and that is translating into the workplace. People don't stop being people when they come into the work environment,' adds Layan.

Percent of online consumers willing to participate in sharing communities



Source: Nielsen

COMPANIES ARE NO LONGER LOOKING FOR OWNERSHIP OF PHYSICAL ASSETS, BUT RATHER SEEKING THE FLEXIBILITY TO REMAIN AGILE TO BUSINESS TRENDS

PRODUCTIVITY AND SUSTAINABILITY

How leasing can drive productivity and sustainability

25k+
The number of people who earn income with TaskRabbit (on-demand errands)

$2m+
Daily value of work done on Elance and ODesk (digital freelance)

€7.4bn
Net revenue loss by 2021 in the automotive sector due to the rise of car sharing and its impact upon car sales

With customers no longer seeking to own assets, they are demanding ever-greater flexibility in the way they pay for usage. That places the onus on manufacturers of products to think about the life cycle and maintenance of their products beyond the point of sale, and leasing models play a central role in helping companies boost productivity and sustainability.

Embracing the sharing economy can lead to increased productivity and 'collaborative consumption' is a growing facet of transferring these principles into industry and business. If these concepts become part of the lifeblood of heavy industry, strategic changes will have to occur at a corporate level to ensure this approach drives productivity.

The sharing economy has transformed industries such as transportation and leisure, disrupting traditional channels as consumers trade with each other to rent assets as they need them. But it has developed beyond simple peer-to-peer sharing of underused assets into the subscription economy – a business-to-consumer offering that is transforming the notion of ownership. Nowadays, people are prepared to pay for products as they use them, rather than bearing the cost of ownership.

This phenomenon is forcing a fundamental change in the way manufacturers interact with their customers. They are no longer selling a product, but building long-term relationships that often span the life cycle of that product and are based on usage rather than ownership.

'Vehicle dealers are selling cars by proposing a rental solution where the customer pays for the usage over two or three years, including maintenance, and is no longer searching for ownership. Leasing solutions provide a catalyst for companies and customers to make the transition to a usage economy,' says Pascal Layan, COO of BNP Paribas Leasing Solutions.

For example, the automotive sector is caught in the crosshairs of technological advances, the sharing economy and the move to reduce congestion and find more sustainable methods of transport. This has led to the blossoming of a number of online platforms offering short-term rentals for cars, vans and bicycles.

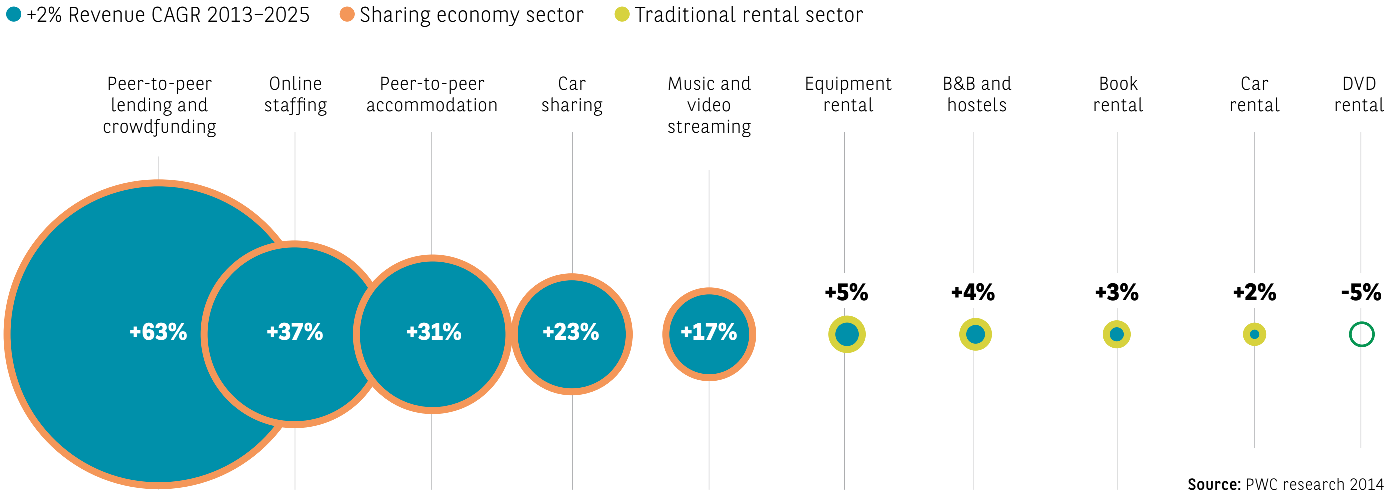
CONSUMER BEHAVIOUR

The growth of the sharing economy has drawn response from traditional manufacturers. In September 2016, US car giant Ford acquired Chariot, a peer-to-peer rental platform for commuters in San Francisco. Chariot was using 100 Ford Transit 15-seater vans to serve 28 crowdsourced routes that were based on demand from riders, but Ford is planning to use data algorithms to allow trips to be scheduled in real time.

By investing in peer-to-peer platforms, traditional manufacturers such as Ford, General Motors and Caterpillar can gain a highly sophisticated picture of consumer behaviour and usage patterns. 'There is a compelling argument for integrating data analysis into finance decision-making, and urging end customers and suppliers to educate their respective industries around a more strategic view towards leasing,' says Layan.

By understanding customer-demand patterns, companies can manage inventories and anticipate usage. The transformation of traditional industries through technology has proved to be a disruptive

Sharing economy and traditional rental sector growth



Source: PWC research 2014

NOWADAYS, PEOPLE ARE PREPARED TO PAY FOR PRODUCTS AS THEY USE THEM, RATHER THAN BEARING THE COST OF OWNERSHIP

force, but it also presents opportunities for companies to understand – and respond to – customer needs, as they move away from ownership and towards demand-based subscription models.

Beyond this, there is a clear role for leasing to play in creating and supporting a more sustainable economy. With manufacturers now looking beyond a simple sale to a long-term pay-per-usage relationship, the onus is on them to move away from the traditional model of built-in obsolescence, or one where phone or PC manufacturers are constantly providing new versions of the same product in order to shift more units. In the agricultural sector it is in the clear interests of landowners to ensure sustainable methods of farming.

Furthermore, farming is well suited to the leasing model because farmers have working capital tied up growing crops or producing livestock so need flexibility when it comes to the usage of farming equipment, which is crucial to their operations but not needed all the time. Farmers are able to lease the latest equipment to allow them to manage their crops and gain information about projected yields. This equipment would be too expensive to own but by leasing it they can use the most-up-to-date technology.

LIFE CYCLE

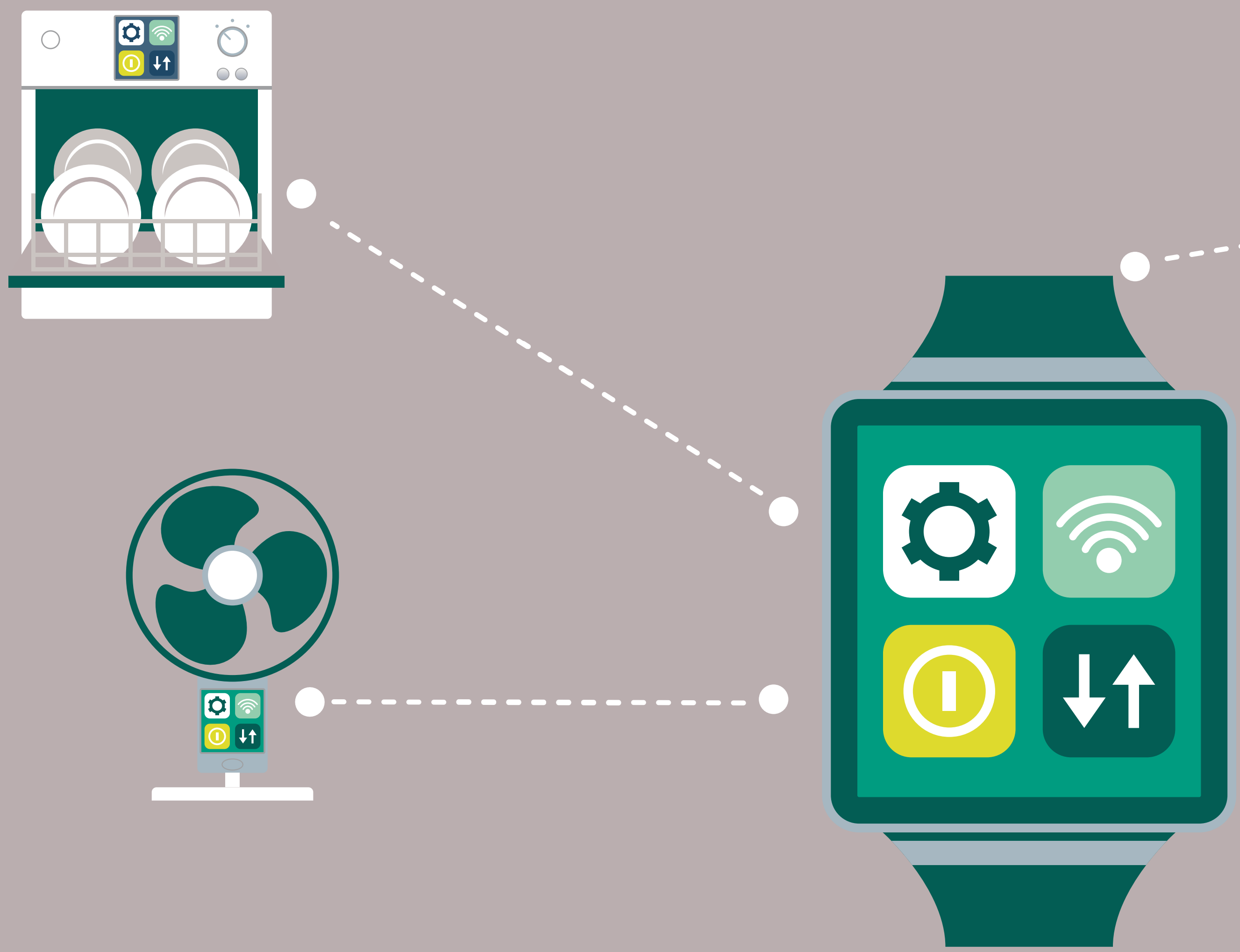
When businesses lease instead of purchase, equipment manufacturers will need to consider not only what happens the moment a product is sold, but also how they can extend its life cycle to promote re-use and support sustainability.

This creates a virtuous circle of collaborative consumption for the life cycle of the machinery. BNP Paribas Leasing Solutions works with manufacturers and end-users to create flexible solutions based not just on payment of an asset but also its usage.

With leasing companies also now offering an all-in-one solution that includes maintenance and renewal, the advantages of usage over asset ownership become even more compelling when it comes to upgrading and recycling equipment.

This leasing model forms the bedrock of the circular economy, which will replace the linear economy as we keep resources in use for as long as possible, extracting the maximum value from them while they're in use. While a customer may pay for a product for three years, it can be used by someone else at the end of that cycle.

'As a leasing company, we can facilitate that circular economy. When a product comes to the end of its usage and reaches obsolescence, the asset is returned to the manufacturer or a specialist recycling facility and it goes back into the production-cycle process. As the leasing company, we have a huge role to play in the movement of an asset from "cradle to cradle",' says Layan.



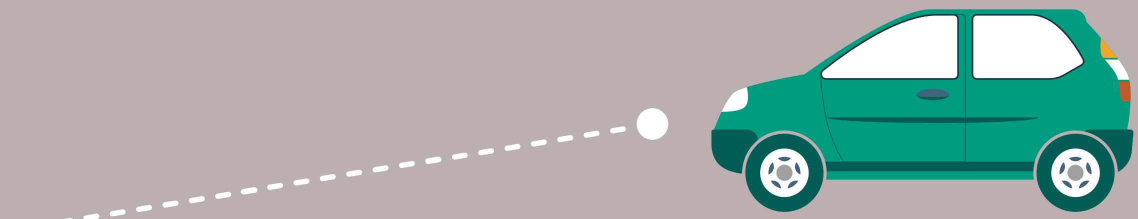
The Internet of Things (IoT) offers companies the opportunity to transform their operations and offer ever-more powerful products and services to their customers, and it is a revolution that is impossible to ignore. But for some small and medium-sized enterprises there exists a barrier to entry in terms of cost and maintenance. Leasing companies have a pivotal role to play here. Not only can they provide financing solutions but they can also use the IoT to enable companies to better understand the needs of their customers.

The Internet of Things is about connecting devices via the Internet – letting them talk to us, to applications, and to each other. This relatively simple concept is revolutionising a number of industries and could provide solutions to some of the long-term challenges facing the world. For example, the IoT could be key to the farming industry meeting the challenge of increasing food production by 70 per cent by 2050, according to a report by Beecham Research.

The agricultural sector has been an early adopter of the IoT. Farmers already use connected sensors to monitor both crops and cattle in order to improve productivity and efficiency, using smartphones to remotely monitor their equipment, crops and livestock, while drones have become a common tool for farmers to survey their lands and generate crop data. John Deere, one of the biggest manufacturers of farm equipment, has begun connecting its tractors to the Internet and has created a method to display data about farmers' crop yields.

The benefits of this connected world are significant and the IoT has developed hand-in-hand with a fundamental shift in financing models. The IoT relies on harnessing the latest technology

THE IOT INDUSTRY HAS FULLY EMBRACED A PAY-PER-USAGE MODEL AND COMPANIES CAN CREATE A FULLY INTER-OPERABLE SYSTEM



THE FUTURE OF THE INTERNET OF THINGS

Leasing companies can use the latest technology to offer companies bespoke solutions

to enable companies to fulfil their potential. The sensors and the telematics that power the IoT are constantly developing and they are complex and costly. So companies are adopting pay-per-usage models in favour of asset ownership, which is seen as increasingly inflexible and prohibitive from a cost perspective.

PAY-PER-USAGE

'In the modern economy, a company does not want its balance sheet tied up with ownership of a truck or vehicle that facilitates its business. It wants to use its resources to focus on its core business,' says Pascal Layan, COO of BNP Paribas Leasing Solutions.

Subscriptions and leasing solutions often include, as part of the original arrangement, installation and implementation as well as ongoing maintenance and support. The consultants and support team provide the expertise in facilitating communication between machines as well as where and how to install sensors. The IoT industry has fully embraced a pay-per-usage model and, by financing an all-inclusive IoT solution, companies can create a fully inter-operable system. Hybrid subscription-like models offer companies the flexibility and the capacity to scale up or down in accordance with business needs.

'We believe we have an important role to play in helping the market adapt to the sharing economy. We can help train equipment suppliers to adapt to the new environment. Our aim is make things simple for our partners with the provision of digital solutions,' says Layan. 'Technology is moving quickly and leasing is adapted to the evolution of the product.'

BNP Paribas Leasing Solutions is keeping pace with these developments by offering all-in-one financing solutions and valued-added services that

247k
Number of (homemade) items sold on Etsy per day

10x
Airbnb listings grew ten-fold in just three years, from 50k in 2011 to 550k in 2014

enable companies to harness the Internet of Things. By working together, manufacturers and leasing companies gather intelligence on how assets are used. Data-sharing and Big Data help manufacturers understand more about their machines by giving signals to the manufacturer. 'We're investing heavily in tools to help partners transform the way they sell their equipment and simplify their processes from the point of offering. Whether it's a combine harvester or an IT solution, the idea is that the whole process can be automated online,' says Layan.

DATA ANALYSIS

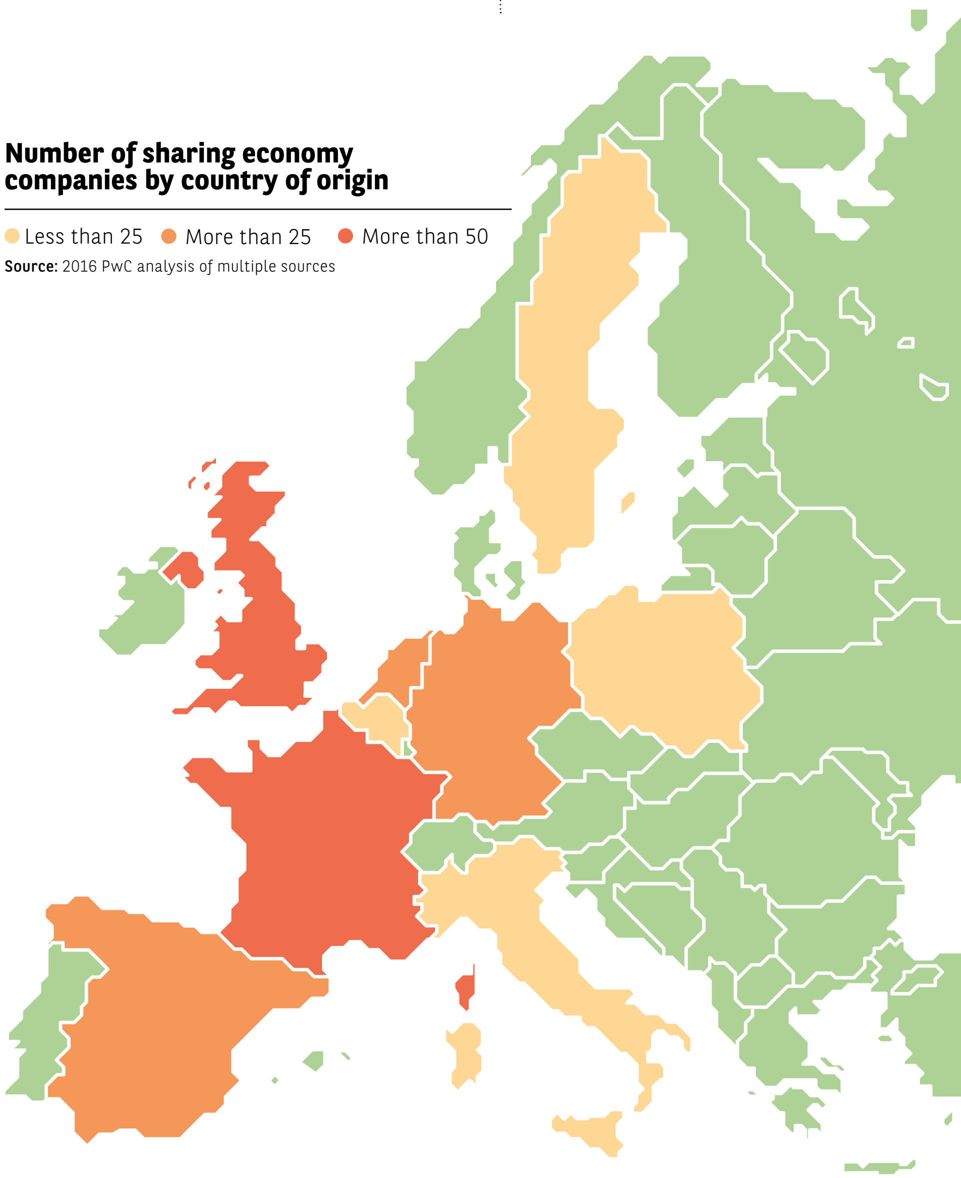
For example, BNP Paribas Rental Solutions fuses the company's experience in vehicle leasing with the latest advances in technology to provide fleet management for trucks. It offers a solution that goes far beyond a traditional vehicle leasing model and incorporates a range of services that cover the life cycle of the asset. Going far beyond identifying the best vehicle to meet a business need, and providing the optimal financing option, BNP Paribas Rental Solutions uses telematics devices installed in the trucks to transmit information about usage and to enable sophisticated, end-to-end fleet management using in-depth data analysis. This enables them to use that real-time information to deploy their fleet in a much more efficient way,' says Layan.

BNP Paribas provides value-added services, such as online quotation tools and e-contracts, to create a seamless offering to customers. 'It's already there in the consumer space but it's taking shape in B2B and we act as a catalyst for this process,' says Layan.

As companies no longer search for ownership, leasing has a very exciting role to play in transforming some of these markets towards new purchase patterns. A crucial benefit of leasing is that it allows customers to upgrade to the latest equipment after an initial usage period. This enables companies to stay up-to-date with essential equipment rather than holding on to fast-depreciating assets on its balance sheet. Lease expenses usually remain constant, which enables accurate planning in both the short and longer term.

As the Internet of Things becomes an ever greater part of a company's IT budget, the aim of BNP Paribas Leasing Solutions is to ensure it is adopted by as many businesses as possible by providing smart finance solutions to help customers afford the equipment they need. That will mean the benefits of the Big Data revolution will be enjoyed by all companies and goes hand-in-hand with the move from asset ownership to asset usage. 'We have the capital to support our customers on that journey,' says Layan.

Number of sharing economy companies by country of origin



Source: 2016 PwC analysis of multiple sources

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