

# Future

**GROUP**  
**2022**

FUTURE GROUP 2022

# Table of Content

---



## Foreword & acknowledgements

What the Future Group is, how it works and who has supported its success



## The 2022 Future Group

The objectives of the project, the class of 2019 and more about the moderators



## Innovative ideas of 2022

Detailed presentations of all the innovative ideas pitched by the class of 2022



## Leaseurope Annual Convention

The top three ideas presented at the 2022 Annual Convention of the European Leasing & Automotive Rental Industry



## New Leaf Search

An external contribution by the 2022 Future Group sponsor, New Leaf Search



## About us

Learn more about Leaseurope and our partner Invigors EMEA



FUTURE GROUP 2022

## Foreword & acknowledgements

What the Future Group is, how it works and who has supported its success

---

FUTURE GROUP 2022

## Foreword

---

Since 2013, Leaseurope has partnered with Invigors EMEA to provide young industry talents with a European platform every year in which they can develop innovative ideas for the benefit of our sector. This initiative has been a great success and receives the wholehearted support of business leaders every year. Many of our Future Group alumni have had their innovations selected for commercial development or benefitted from career progression after taking part in the programme.

The 2022 Future Group consisted of fifteen young talents with various backgrounds and experience, nominated by the heads of their firms. They were divided into three groups with each group working on a specific theme namely sustainability, digitalization, and carbon neutralisation for automotive fleets. Each participant in the group pitched an original idea to innovate the sector, which was then voted on by the group. The top three innovations were then developed further in teams and presented to the wider industry at the Annual Convention of the European Leasing & Automotive Rental Industry in Cascais. In order to showcase the wide variety of ideas created within the group, all the original innovation concepts of the class of 2022 are compiled in this publication.



FUTURE GROUP 2022

## Acknowledgements

---



We would like to thank heads of European leasing companies who nominated young talents and have supported the Future Group programme.

We would also like to thank Ian Robertson and Paul Johnson-Ferguson from Invigors for moderating the Future Group meetings and providing guidance and mentorship to the participants during their journey with us.

Supporting young industry talents is a topic close to the heart of New Leaf Search, who we would like to thank for sponsoring the 2022 Future Group.

Last but not least, Leaseurope would like to thank the Future Group 2022 participants for their ideas, enthusiasm and valuable contributions, which will undoubtedly inspire future participants!



FUTURE GROUP 2022

## The 2022 Future Group

The objectives of the project, the class of 2022 and more about the moderators

---

FUTURE GROUP 2022

## Objectives

The Future Group programme provides a unique opportunity to recognise and foster young, up-and-coming talent in the leasing and automotive rental industry, with many benefits to both the participants and the sector overall.



### Platform

Provide promising individuals with an environment in which they can express themselves freely and develop innovative ideas which may benefit the entire industry



### Experience

Help participants discover the multiple facets of the industry beyond their daily activities and engage with their peers from other leasing and rental companies



### Nurture

Establish a talent pool from which future industry leaders may emerge, with active mentoring during the Future Group project process and enlarging the alumni group over time



### Exposure

Allow the young talents to engage with the wider industry, giving them exposure to senior industry practitioners they may not ordinarily meet and visibility at the Annual Convention

FUTURE GROUP 2022

## Participants

---

### Working together for industry innovation!

The Future Group class of 2022 comes from a diversity of functions, geographies and backgrounds, bringing an exciting mix of experience to the table.

- ✓ Sam Allison, SGEF
- ✓ Emre Eskin, BNP Paribas Leasing Solutions
- ✓ Anton Håkansson, DNB Finans
- ✓ Henri Hamers, ING Lease
- ✓ Katherine Harman, Novuna
- ✓ Jannis Kordt, AGCO Finance
- ✓ Ilaria Montaldi, Grenke
- ✓ Jasmin Wenning, Deutsche Leasing
- ✓ Tomasz Otto, PKO Bank Polski S.A. Group
- ✓ Silvio Picardo, UniCredit Leasing
- ✓ Christian Scholz, Raiffeisen Leasing
- ✓ Fanny Touron, ALD Automotive
- ✓ Eduardo Vidal, DLL Spain
- ✓ Valentina Parero, Alba Leasing
- ✓ Luke Wise, Investec



FUTURE GROUP 2022

## Facilitators

The 2022 Future Group participants benefited from decades of industry experience generously provided by Paul Johnson-Ferguson and Ian Robertson from Invigors EMEA. They moderated the 2022 Future Group meetings as well as provided constructive feedback, coaching and support.



**Paul Johnson-  
Ferguson**

Executive Director



**Ian  
Robertson**

Executive Director



FUTURE GROUP 2022

## New Leaf Search

New Leaf Search<sup>®</sup>

Experts in asset finance & leasing [recruitment](#)

An external contribution by the 2022 Future Group sponsor

---

FUTURE GROUP 2022

## 5 ways to develop next generation leaders

---



**Katherine Amin**  
**Recruitment Director, New Leaf Search**

**Talent development** is fundamental to the growth philosophy of all great companies. There is a wealth of well-documented evidence founded on decades of management research suggesting that organisations must invest in, nurture and develop their next generation talent into C-suite leaders of the future.

In providing resourcing solutions to successful Asset Finance, Leasing, Banking and Automotive Rental organisations, we have a truly unique insight into the various initiatives undertaken by such organisations to develop their young talent.

FUTURE GROUP 2022

## 5 ways to develop next generation leaders

---

There are many recurring themes that are deeply engrained into the culture of these organisations from which we have identified the top five observations and recommendations that are key to developing next generation leaders:

### 1. Transparency and feedback

Senior executives need to lead by example. Whether it's giving critical feedback or high praise, you need to be upfront and honest.

Loyalty requires transparency and young staff are typically hungry to learn, improve, and grow. Without transparency about their performance it would be difficult to fully integrate them into the company's current and future plans.

The feedback needs to be regular and will not only maximise their potential but will also help you identify any issues or the need to adapt the pace or structure of their development.

### 2. Boundaries and responsibilities

Let your future leaders solve real world business challenges that will push them out of their comfort zones as much as possible. When faced with unfamiliar and/or difficult tasks, the successful ones will have the resourcefulness to adapt, learn and apply new skills.

Give them challenging projects to reveal their true capabilities and hold them accountable for the successful delivery of these projects.

Such measures will not only help develop their creativity and critical thinking, as well as build their confidence, but will also go a long way towards strengthening their commitment to the business.

FUTURE GROUP 2022

## 5 ways to develop next generation leaders

---

### 3. Job rotations and business exposure

Ensure your strategy incorporates cross-functional commercial exposure for your future leaders. This provides an excellent opportunity for them to work in different areas of the business to find the discipline that best suits them; one which they can really thrive in.

Once they have identified a business function that will maximise their potential, provide the right environment to develop them into an expert in that particular field.

Remember, as well as future CEOs, you are also developing departmental or functional heads. Allow such individuals to fully immerse themselves into all aspects of your business and to also build a broad-based knowledge of the asset finance and leasing industry.

This is fundamental for any future manager who may one day make the decisions that shapes your business.

### 4. Mentoring and coaching

Implement a structured mentoring programme for your aspiring leaders. Mentors need to be somebody that young talent admire and aspire to emulate. They should provide the necessary steer and support to foster professional growth as well as help staff to network effectively and positively build their self-brand.

A mentoring programme can be time intensive for your senior leadership team, so you may want to consider outsourcing this initiative, in part, to external resources such as retired executives or relevant professionals in other companies.

Facilitate dedicated and highly structured coaching, training and development programmes whereby your future leaders can fully immerse themselves in their professional growth journey; soaking up knowledge at every opportunity.

FUTURE GROUP 2019

## 5 ways to develop next generation leaders

---

### 5. Offer competitive rewards

Look to recognise achievements and growth throughout the leadership development programme. Implement performance driven milestones and reward your future leaders accordingly.

Recognition can come in many forms. Examples include formal acknowledgement of achieving personal business objectives; being tasked with additional or broader responsibilities; rewarded with fast-tracked progression (and the associated financial rewards that come with it); raising their business profile through exposure and praise in internal communications and raising their external personal brand by promoting achievements across various platforms such as industry press, social media and networking events and seminars. A perfect example of this is the Leaseurope Future Group programme.

Find out what motivates them and build a reward and recognition system tailored to get the best out of them; your future leaders will appreciate such gestures and feel more inclusive and committed to the long-term vision of your business.

In summary, all successful, forward-thinking businesses embrace the value of their next generation workforce by strategically cultivating and nurturing young talent to reap future business rewards.

Ensuring your organisation commits to a robust strategy to develop such talent into future leaders is essential, not just for succession planning but also for bringing new energy, fresh ideas, an instinct for adopting new technology and contribution to long term business sustainability and growth.



FUTURE GROUP 2022

# Innovative ideas of 2022

Detailed presentations of the innovative ideas pitched by the class of 2022

---



FUTURE GROUP 2022

## Team A: Digitalisation



Luke Wise, Investec  
Jasmin Wenning, Deutsche Leasing  
Christian Scholz, Raiffeisen Leasing  
Silvio Picardo, Unicredit Leasing  
Jannis Kordt, AGCO Finance



FUTURE GROUP 2022

## ESG-KPI based interest rates

---



**Christian Scholz, Raiffeisen Leasing**

Product & Key Account Management Vendor Partners

# DESCRIBE THE SOLUTION

## Innovation Description

- According to defined ESG-KPIs the interest rates are adapted yearly.
- Supranational
  - Defines KPIs
  - Subsidises interest rates
- Centralized IT-platform to steer and report the KPIs
  - Manage KPIs of the Supranationals
  - Lessee reports KPIs (confirmed by financial auditor)
  - Interface for lessors
- Lessors earn administration fee and interests of add on business

## What problems does it solve

- Green investments get more attractive

## What customers does it help

- Companies
- Public Institutions
- Public authorities
- Private customers (fixed spread rate acc. Investment, not variable)

# FEATURES & COMPETITION

## Novel Features of Solution

- Centralized platform to manage, steer and report ESG KPIs, which has a consequence for paying interests

## Competing Solutions

- Investment Programs of EIB

# HOW DOES THE PRODUCT CREATE VALUE

## Value Creation Opportunity

- Target equipment, segments etc.
  - Green Investments
  - For every customer segment possible
- High-level business case / economic case.
  - Depends on admin fee
    - Ø 100 mn financing volume x 0,15% admin fee = 150.000 EUR
    - Interests of add on business
    - Minus IT-platform (service) & internal efforts
- Pricing Model (High level)
  - Good ESG-KPIs → low interest rate
  - Bad ESG-KPIs → high interest rate

# Complexities Reviewed & Requiring Further Investigation

## Risks & Regulatory

- GDPR
- Lobbying to Supranationals

## Operational& Tech Considerations

- Lessor needs interface to the platform
- Lessor must be able to recalculate existing contracts automatically
- Lessor must steer the KPIs.

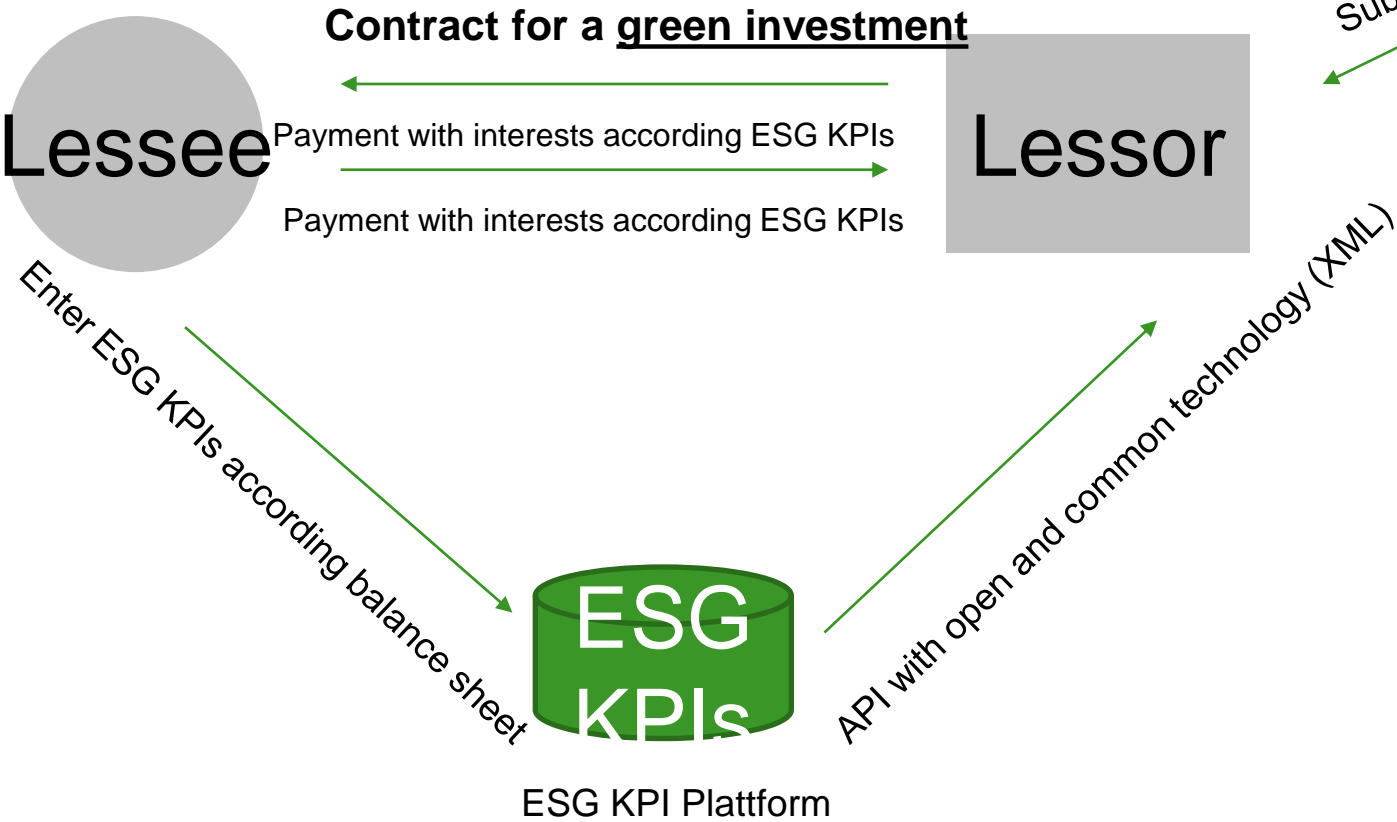
## Change Management

- Lease Europe must lobby at Supranationals
- Someone (LeaseEurope or coalition of members) must develop and host the platform.

## Funding

- Platform: If Leaseurope is servicer, members have to fund
- Technical requirements of leasing companies, must be payed by the leasing companies.

# Governmental authority



Subsidy for interests + Mgmt Fee

In the beginning of a contract, lessor & lessee define current ESG KPIs (within guidelines of the governmental authority (GA)).

GA pays to lessor interests or a defined and used financing volume (reporting!). Lessor yearly has to increase or decrease the interests, according the development of ESG KPIs.

With better ESG KPIs the lessee has to pay less interests. GA pays lessor the gap of the interests plus 20 bps as management fee.

The ESG KPIs have to be entered from the lessee into a database. The KPIs have to be confirmed by financial auditor and published in the balance sheet.

FUTURE GROUP 2022

# Flexibilization of a leasing contract

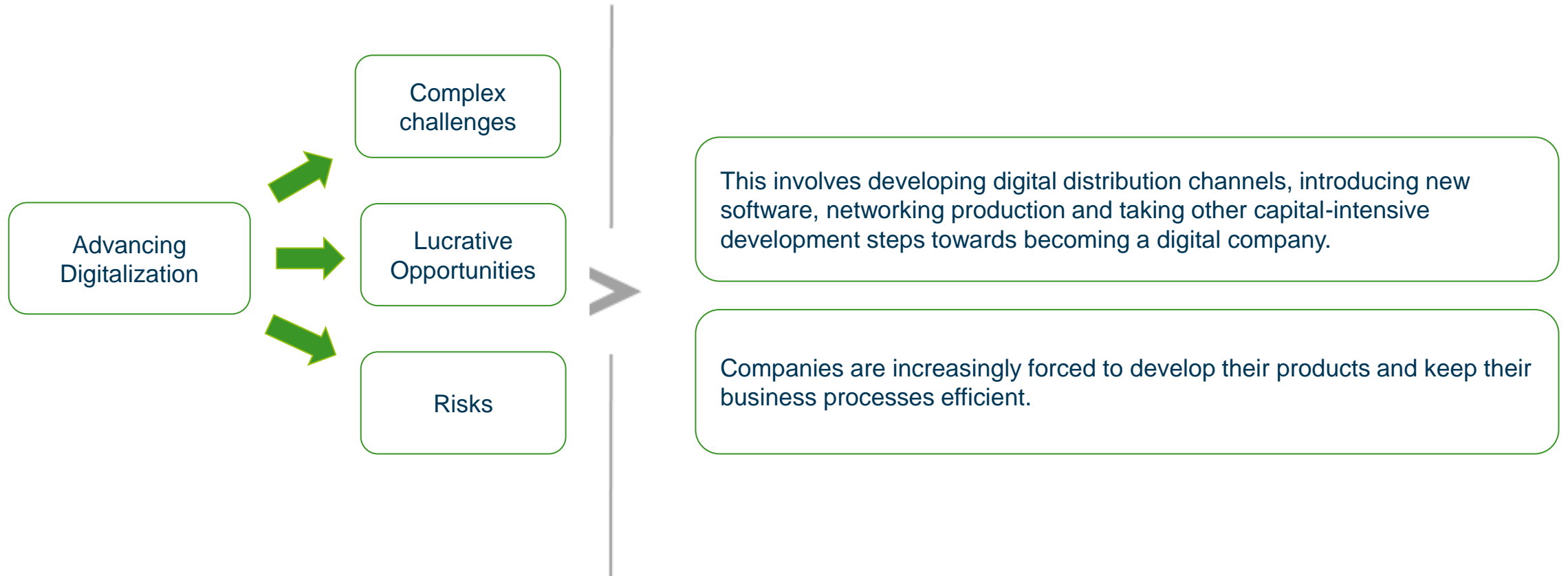
---



**Jasmin Wenning, Deutsche Leasing**

Global Operations Manager

# Context





# DESCRIBE THE SOLUTION

## Innovation Description

- The flexible design of the monthly installment from the end customer's point of view.
- Flex-Option → Enables complete flexibility of the monthly installment based on freely selectable parameters.
- Pay-per-use approaches could serve as a gap solution and the growing demand for more flexibility in rate design. Pay-per-use combines usage, i.e. sales and earnings, with the cost of the investment.
- Depending on the amount of the installment, the term of the contract will be longer or shorter

## What problems does it solve

- Companies are increasingly forced to develop their products and keep their business processes efficient.
- The uncertainty about the success an investment and the further development of the business and financial situation is a central problem of the entrepreneur when making financing or investment decisions.

## What customers does it help

- Business, commercial and small corporate customers that expect simple, digital, flexible products and processes to cover their capital and liquidity needs and thus define the demands on their financing partners.

# FEATURES & COMPETITION

## Novel Features of Solution

- The basis is a typical pay per use approach.
- To prevent a high residual debt accumulation at the end of the term due to a potential under-utilization of the property, the term of the **contract changes automatically** and according to the **dynamic utilization of the property**. If the customer constantly has a minimum utilization rate, the term of the transaction is ex-tended; if the customer has a higher utilization rate, the term is shortened.
- Furthermore, the contract is linked to machine data. There are many potential further developments

## Competing Solutions

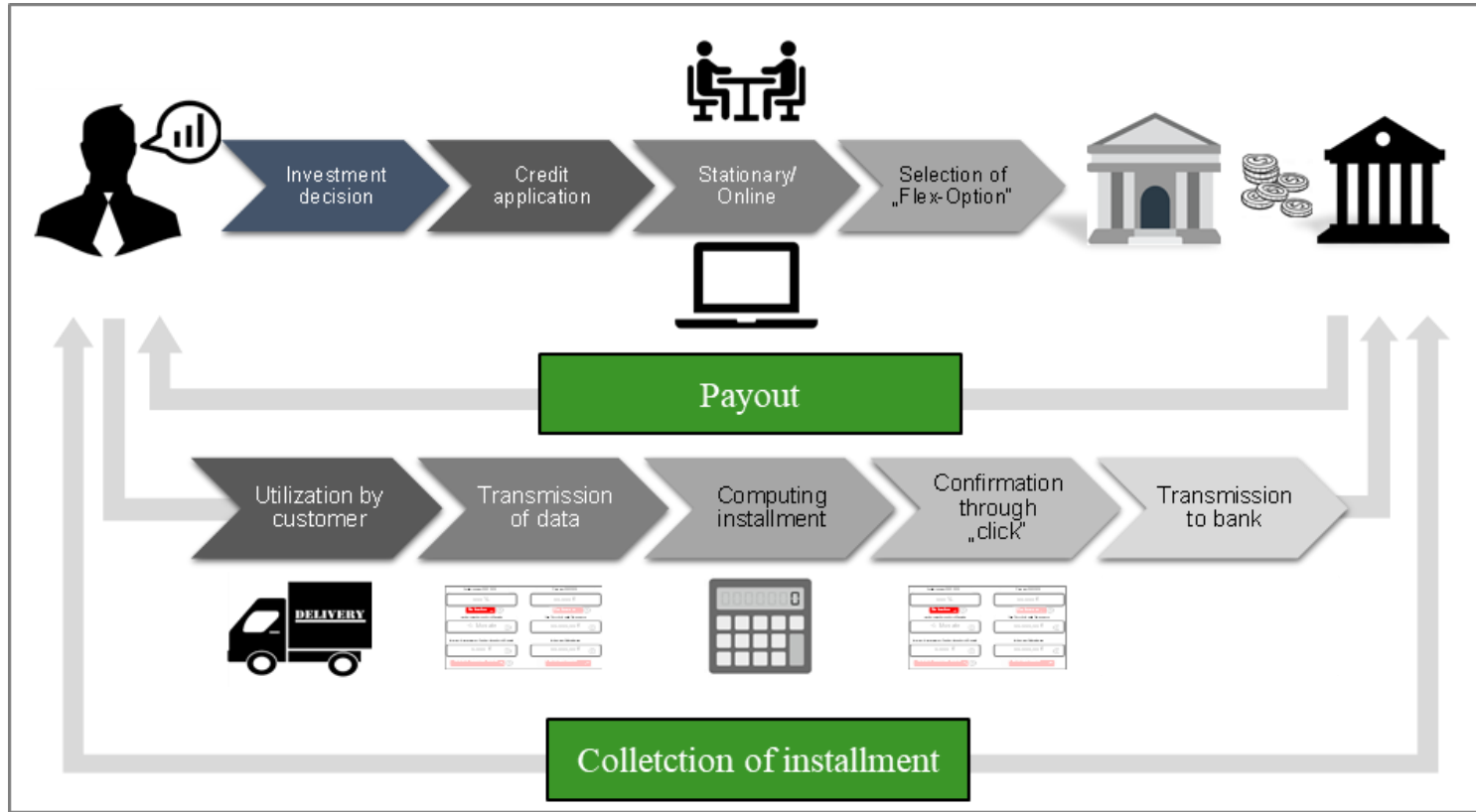
- “CR Pay per use”, Commerz Real has developed a leasing product that aims at varying the rate amount but not concerning but not with regard to maturity adjustments

# HOW DOES THE PRODUCT CREATE VALUE

## Value Creation Opportunity

- Overdraft interest by “under-utilization”  
→ the success of the Flex-Option is the result of an average under-utilization and thus an extension of the term at portfolio level. This is because the present value contribution margin of a Flex-Option increases if the average utilization is below 100%. Furthermore, the financial chances of under-utilization are higher than the risks of an equally high additional utilization.
- Machine interface: Usage of further data of the investment objects or the customer → first approach for IoT platforms and data-driven business models

# Schematic representation of the solution approach



# Complexities Reviewed & Requiring Further Investigation

## Risks & Regulatory

- Need of machine data
- Rapidly changing customer demands
- There is a risk that we do not earn enough money with the project

## Operational& Tech Considerations

- No additional resources required, the product should be based on an existing organizational and IT infrastructure.
- Web interface for transmitting utilization data is might be integrated into the information architecture of the customer platform.
- A key intellectual resource is the developed calculation core, which ensures the technical functionality of the Flex-Option.

## Change Management

- Product development and sales representatives has to work hand in hand to develop the product.
- Sales representatives need to be trained to sell it to the customer.
- Campaign management
- Product/ market development

## Funding

- Internal funding; investment for digitalization and product development

FUTURE GROUP 2022

# Multi-use portal platform

---



**Luke Wise, Investec**

Customer Service Team Leader

# DESCRIBE THE SOLUTION

## Innovation Description

- Multi-use portal platform allowing all customers access to their agreements.
- Links to a broker portal giving them bookmark notifications of what their customers access on the platform.

## What problems does it solve

- Restrictions to customers for access to their agreements only during working hours.
- Allows companies to grow and expand without the need to increase headcount and training.
- Companies can move away from issuing documents on physical paper and move to a more electronic system. Improves their Carbon Footprint.

## What customers does it help

- Consumers.
- Introducing brokers.

# FEATURES & COMPETITION

## Novel Features of Solution

- Access for customers to their agreement details; able to generate previous invoices and settlement figures.
- Customers can see whether their agreement has insurance and if not able to request a quote from our insurance partners.
- Online robotics and an FAQs page to help customers answer any queries 24/7.
- Links to online databases to get an up to date valuation of their asset.
- Links to waste disposal companies to dispose of any assets that they no longer need. E-waste solution.
- Brokers get a bookmark of any action from their customer so they are up to date with their actions.

## Competing Solutions

- A.C.E system – used by Alpha Asset finance Ltd.
- Finastra development platform.
- ConnectedFi – used by Shawbrook Bank.



# HOW DOES THE PRODUCT CREATE VALUE

## Value Creation Opportunity

- Increased customer enablement – consumers are given more flexibility with their agreements and able to use lots of different areas to get the best out of their agreement.



- Use of current market databases – allows the consumer to check their asset against the current market and see their asset's true worth.



- Increased broker communication – partners are kept up to date on their customers plans and are able to keep on top of their customers needs. Gives them the opportunity to upsell and keep that partnership with the customer going.
- Safe removal links of electronic assets to help reduce E-waste. Removal of other assets also.

# Complexities Reviewed & Requiring Further Investigation

## Risks & Regulatory

- Security controls, data integrity, audit trails.
- Strong Customer Authentication (SCA) – regulation from the FCA.
- Requirement for logging for companies with multiple employees would be a two-step authentication process. Allowing for multiple security barriers to be in place.

## Operational& Tech Considerations

- Existing systems used would stay in place. The portal system would need to be separate but linked to current setups.
- Third party may be needed to be used to complete setup.
- Intermediary platform that would transfer data across from current system to the new online application would be needed.
- Platform may be built bespoke and would be expensive.

## Change Management

- Operational teams would be impacted as this is implemented.
- Customers need to come onboard with the idea. Older generations may be unwilling to keep up with the technology and may prefer older forms of communication.
- Marketing teams would need to speak to customers, brokers for their thoughts.
- Customer Services would need to be making customers aware of the new system.

## Funding

- Internal funding.
- Short term would be expensive as the business would need to source resource from all areas of the business to correctly implement the facility.
- Purchase a platform from a third party who would bespoke build the proposed platform.
- Companies would need to be open to making sure that all departments are involved and their thoughts are considered within the development.

FUTURE GROUP 2022

## Lease/finance quoting platform for equipment purchases from SMEs

---



**Jannis Kordt, AGCO Finance**

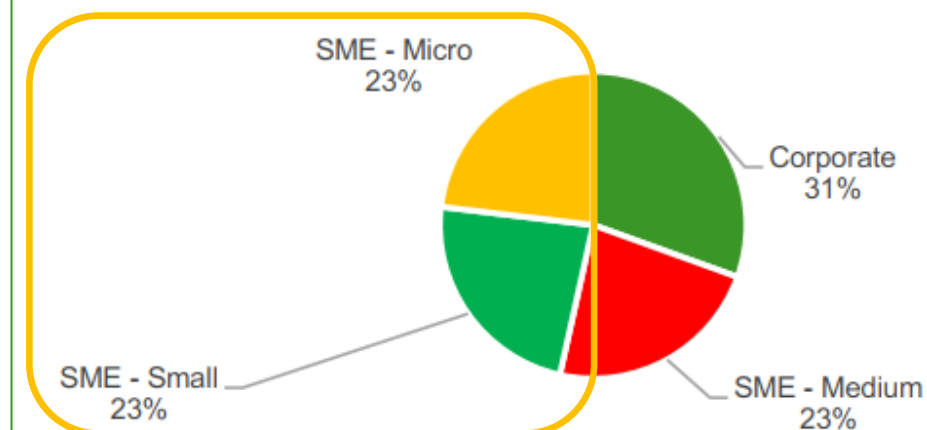
Program Manager Europe

## Setting the scene

### What is the current state of the market?

- Almost half of the total leasing market are micro / small SMEs that often do not have extensive knowledge of leasing
- How to get a leasing quote for your equipment?
  - Via vendor / dealer
  - Via house-bank
  - Via leasing companies
- Corporates have the “pleasure” of large-ticket RFPs that are put up for a competitive bidding process. Smaller companies do not have the same access to competitive bidding.
- How can SMEs more easily access competitive financing offers for the equipment that they need?


### New Business by Customer Size





The solution? A platform for lease / finance quoting targeted specifically at small ticket equipment purchases from SMEs


# How does it work? (1/2)

## What equipment would you like to finance?


Select your equipment type 

Select the manufacturer 

Year of construction 


Condition (new / used) 

Serial number

Upload a picture 


Leverage picture / AI technology to pre-screen assets

## How would you like to finance your equipment?

Select your finance 

Sale & lease back

Finance lease

Select your term 

*Need some help to decide?*

Educate about leasing / financing – online or via customer service

## How can we reach you?

Company Name

Company Address

Email

Phone number

Generate meaningful leads + compile necessary data for pre-approval

## How does it work? (2/2)

### Submit for competitive quotes from lenders

Submit

Educate about leasing / financing – online or via customer service

### Review your quotes & select your preferred finance option

<p><b>Company A</b> <i>Finance product</i> <i>Term</i> <i>Etc.</i></p> <p>★★★★☆</p>	<p><b>€137,80</b> per month</p>
<p><b>Company B</b> <i>Finance product</i> <i>Term</i> <i>Etc.</i></p> <p>★★★★☆</p>	<p><b>€144,80</b> per month</p>
<p><b>Company B</b> <i>Finance product</i> <i>Term</i> <i>Etc.</i></p> <p>★★★★★</p>	<p><b>€153,34</b> per month</p>

*Need some help to decide?*

### Finalize your contract

View your contract

Terms & conditions

Sign electronically to start your finance with Company X

Facilitate contract conclusion inside platform; even collect payments from customer?

# DESCRIBE THE SOLUTION

## Innovation Description

- Independent quoting platform
- Customers (SMEs) provide details regarding assets to be financed + relevant information (i.e. credit check)
- Connected financing / leasing companies can submit quotes based on input provided to customer
- Customer has transparency on submitted quotes / pricing – competitors do not!

## What problems does it solve

- Better access to competitive lease / finance bids for SMEs that do not have access to competitive RFP / tender processes due to small size
- Less reliance on pre-defined channels & partners for leasing solutions
- Automated / low-touch business for small-ticket items helps to keep financing costs low

## What customers does it help

- Micro / Small-sized SMEs

# FEATURES & COMPETITION

## Novel Features of Solution

- Semi-public marketplace with clear focus on SMEs
- Mirroring RFP / tender processes on smaller scale, based on standardized terms to create transparency & low finance costs for customers
- Potential for review system with customer reviews for competing lending firms

## Competing Solutions

- PureLease Global Market Place (larger tickets / RFPs; focus on corporate customers)
- Kwipped (North America only; also an equipment marketplace)



# HOW DOES THE PRODUCT CREATE VALUE

## Value Creation Opportunity

- Clearly defined target segment: Micro / small SMEs with small-ticket transactions (e.g. 1-3 assets).
- Equipment needed by such smaller firms (medical, transportation, agriculture, etc.)
- Increases overall acceptance & access to leasing / finance for those customer segments
- Single point of contact & process for different asset types – easier for customers
- Common platform pricing model: commission / share of revenue from facilitated deals
- Integration to marketplaces for new & used equipment
- Financing customers directly

# Complexities Reviewed & Requiring Further Investigation

## Risks & Regulatory

- Customers consent to data sharing to receive quotes
- Risk of exaggerated price-based competition + “race to the bottom”

## Operational & Tech Considerations

- Development of platform should be technically possible (website / software / app)
- Requires easy integration of lending firm connection for smooth quoting process (APIs)
- Lending firms would need to develop or adhere to standardized financing templates to facilitate comparability of quotes

## Change Management

- Lending firms need to be convinced that this is a valuable channel for them to generate new business
- Might face some resistance from established lending firms that compete on elements other than price
- Might face some resistance from OEMs that want to include finance in the sales process

## Funding

- Business case development of platform development costs vs. expected revenues
- Public / private funding possibilities
- Financial + non-financial players could act as funders

FUTURE GROUP 2022

# Next Generation EU: A Fast Track approach

---



**Silvio Picardo, Unicredit Leasing**

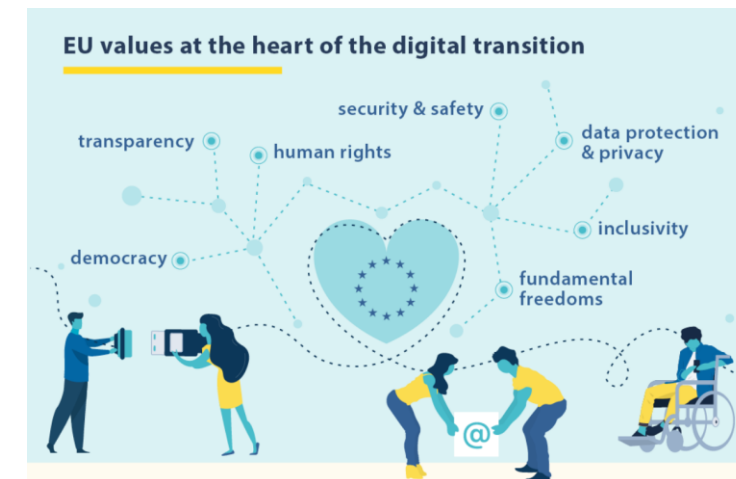
Credit Risk Analyst

# CONTEXT: The next Generation EU

## What is Next Generation EU:

It is a more than **€800 billion** temporary recovery instrument to help repair the immediate economic and social damage brought about by the coronavirus pandemic. **Post-COVID-19 Europe** will be greener, **more digital**, more resilient and better fit for the current and forthcoming challenges

**Large portion** of the program will be **dedicated to support the digital transformation**. This approach is supposed to enhance the growth strategy of the European Economies by introducing innovations that improve either business resilience or citizen's lives.



## What are the goals

Improve the lives of citizens

Strengthen the EU's economic base

Reinforce the EU's global competitiveness

Ensure the EU's digital sovereignty

Facilitate the green transition

Create jobs and build digital skills

# CONTEXT: The next Generation EU - Figures

	NRRP approval status	Total funding (€ bn)	Green investment allocation	Digital investment allocation
Belgium	Endorsed	5.9	50%	27%
Bulgaria	Under revision	6.6	37%	20%
Czechia	Endorsed	7	42%	22%
Denmark	Endorsed	1.5	59%	25%
Germany	Endorsed	25.6	42%	52%
Estonia	Endorsed	0.97	42%	22%
Ireland	Endorsed	1	42%	32%
Greece	Endorsed	30.5	38%	23%
Spain	Endorsed	69.5	40%	28%
France	Endorsed	39.4	46%	21%
Croatia	Endorsed	6.3	40%	20%
Italy	Endorsed	191.5	37%	25%
Cyprus	Endorsed	1.2	41%	23%
Latvia	Endorsed	1.8	38%	21%
Lithuania	Endorsed	2.2	38%	32%
Luxembourg	Endorsed	0.1	61%	32%

According to EU at last 20% of the overall budget has to be invested in «digital».

That means at least **€ 160 billions** will be invested in digital

	NRRP approval status	Total funding (€ bn)	Green investment allocation	Digital investment allocation
Hungary	Under revision	7.2	-	-
Malta	Endorsed	0.3	-	-
Netherlands	Not submitted	-	-	-
Austria	Endorsed	3.5	59%	53%
Poland	Under revision	36	-	-
Portugal	Endorsed	16.6	38%	22%
Romania	Endorsed	29.1	41%	21%
Slovenia	Endorsed	2.5	42%	21%
Slovakia	Endorsed	6.6	43%	21%
Finland	Endorsed	2.1	-	-
Sweden	Under revision	3.2	-	-

# Which type of digital products are in scope?

- **Network and Connectivity**

- 5G infrastructure
- Products traceability

- **Smart Cities and Mobility**

- Smart cities infrastructure:
- Car sharing
- Digital parking

- **Infrastructures and value chain**

- Super computers
- Batteries
- Robotics

- **Cloud Services infrastructure**

# How can leasing foster and benefit from EU's plan ?

# DESCRIBE THE SOLUTION

## Innovation Description

### Next Generation EU: Leasing Fast Track

- It's a **platform** designed to **facilitate leasing granting** (credit approval) for **digital** Next Generation EU related investment (project financing, direct investment, etc)
- **Credit Risk Strategies** specifically calibrated for Digital Initiative and shared at Leaseurope level: LGD<sup>1</sup> and PD<sup>1</sup> **parameters mitigated** for those customers matching the criteria
- **Pre approved credit limits** for this specific contracts based on “asset Rating”
- **Innovative Leasing catalogue**

## What problems does it solve

- **Intercepting** EU's Member states **investments** in Digital Transformation accountable in at least **€160 billions**
- **Revenues Increase** thanks to new business opportunities and **cross selling**. Next Generation EU digital facilities should be **differently considered in terms of riskiness**
- Improve portfolio's **asset quality**: facilities are **secured by Government Funds**
- **Foster Digitalization** encouraging customer adoption of new tech system
- Helping customers in **afford technology transition costs** (fiscal advantage of no proprietorship)
- **Enhance** Leasing Companies **ESG rating**, thus increasing in reputation and lower funding cost (eligibility for ESG criteria)

## What customers does it help

- **Small Business**  
(5G – Traceability of products etc)
- **Corporate**  
(Robotics – Batteries – Cloud Services Artificial Intelligence)
- **Public administration**  
(Cloud Services - Cyber Security - Mobility Smart cities – 5G rural connections – e-gov sharing)



1) LGD: Loss Given Default; PD:Probability of default; They both are parameters used to support business concession and determine Risk Adjusted Return



# FEATURES & COMPETITION

## Novel Features of Solution

- Uniqueness of Next Generation EU program: we can't miss that train
- Pre-approved credit limits for Leasing contracts that benefit from Next Generation EU program
- Credit Risk strategies calibrated on digital content of the leasing (Asset Rating): adopt a more favorable and fast granting standard for next generation EU tech product
- Common standards at Leaseurope level in the incentive (and pricing parameter mitigation) of digital products Leasing
- Product catalogue update

## Competing Solutions

- Legacy Bank competition
- Fintech companies -> more friendly with technology
- Instant Lending

# HOW DOES THE PRODUCT CREATE VALUE

## Value Creation Opportunity

- Enhancement of leasing volumes due to 160 billions EU next generation fund engagement, otherwise leaved to legacy bank market.
- Fast track approach permits to reduce underwriting process, providing customers a quick and more efficient service
- Customer's satisfaction and cross selling opportunity: thanks to this platform, leasing company could apply cross selling actions enlarging customers' base
- Risk Adjusted Revenues: increase of revenues on equipment leasing securitized by National Recovery plans funding.

# Complexities Reviewed & Requiring Further Investigation

## Risks & Regulatory

- Overweight of technology leasing portfolio
- Tech products tend to faster lose values during time: what about expected recovery rates?
- To be verified bureaucracy and time needed to close deals (what impacts on operations?)

## Operational& Tech Considerations

- Structure business lines to sell new leasing strictly related to technology (robotics, 5G, automation)
- Arrange new credit Risk strategies, and new asset rating scale
- Update IT infrastructure
- Arrange new process for Leased asset department (repossession phase included)

## Change Management

- Business, Risk Management, Leased asset management department deeply involved in platform development and management
- Lack of expertise in dealing with technological leasing product
- New process in leasing recovery process

## Funding

- EU Funding
- ESG criteria linked Funding
- Next Generation EU national programs



FUTURE GROUP 2022

## Team B: Sustainability



Sam Allison, SGEF  
Anton Håkansson, DNB Finans  
Ilaria Montaldi, Grenke  
Katherine Harman, Novuna  
Henri Hamers, ING Lease

FUTURE GROUP 2022

## Lease of Life

---



**Anton Håkansson, DnB Finans**

Credit Manager

# DESCRIBE THE SOLUTION

## Innovation Description

- Medium / high mileage petrol cars returned at the end of the lease are converted to electric, with bi-directional charging capability
- The asset is then available on a used-vehicle lease
- The petrol components are recycled / reutilised:
  - Convert to air compressor
  - Scrap for parts
  - Recondition

## What problems does it solve

- Addresses the reduced availability of new electric cars
- Reducing the barriers to converting to electric - cheaper solution than buying/leasing a new electric vehicle (EV)
- Accelerates the transition to EV, providing an environmental benefit
- Reduces the risk of 'stranded assets'
- Improved energy storage for the grid

## What customers does it help

- Fleet managers transitioning to green fleets
- Individuals looking for a cheaper option than buying/leasing a new EV and potential energy savings
- Supports leasing companies to achieve their sustainability targets

# FEATURES & COMPETITION

## Novel Features of Solution

- Assets remaining useful life is increased; components which tend to cause significant SMR in petrol vehicles are replaced with new, lower maintenance EV technology
- Reutilises existing assets which may otherwise be scrapped
- Energy Storage
  - Vehicle is able act as power storage for the home
  - Energy in the car's battery can support the grid during peak times (revenue opportunity for customers)
  - Surges of renewable energy (heat waves – solar, storms - wind power) are better harnessed with additional storage available

## Competing Solutions

- Alternative transport types (public transport / electric scooters etc.)
- New low-cost electric vehicles

# HOW DOES THE PRODUCT CREATE VALUE

## Value Creation Opportunity

- Provides options to fleets & individuals looking to decarbonise
- Conversion can be applied to a wide range of vehicles including vans
- Improved re-utilisation of ICE (internal combustion engine) vehicles which would otherwise be nearing end of life
- Seconded funding opportunity
- Potential job creation
- Benefit to the electricity grid from additional power storage
- Owners can charge during low-cost periods and save on energy costs by using the energy stored in the battery at peak times
- Investment & interest in bi-directional charging & ICE conversions is increasing – this proposition brings them together



# Complexities Reviewed & Requiring Further Investigation

## Risks & Regulatory

- As the supply of new electric vehicles increases and economies of scale are achieved, pricing on converted vehicles could become uncompetitive
- Manufacturer warranties become void
- Insurance restrictions
- Additional regulation (testing, health and safety, etc.)

## Operational & Tech Considerations

- Availability of conversion specialists
- Warranties available on the conversion
- The range & size of components needed to convert all shapes & sizes of vehicle
- Remaining components which will still need replacing
- Challenges minimising downtime (for fleets)
- How is the EV legitimised (i.e., for reduced road tax / ANPR low emission zones)

## Change Management

- The asset still being viewed as 'used' and therefore higher maintenance risk (could be an opportunity to increase maintenance contracts).
- Current demand for EV's vs supply
- Invest in a trial using existing conversion specialists which may be loss making to test model

## Funding

- Original asset is written down to a relatively low level, the conversion is capitalised over the new term, resulting in an equivalent rental
- Funded by existing lease provider
- If conversions are brought in-house, then very high upfront costs

FUTURE GROUP 2022

## Energy as a Service

---



**Henri Hamers, ING Lease**  
Account Manager Renewable Energy

# DESCRIBE THE SOLUTION

## Innovation Description

- Energy as a Service and the role of asset finance in supporting the delivery of Power Purchase Agreements (PPA's)
- Scope is for grid injection (short term) PPA's only
- Instead of only sculpting the lease repayments based on energy generation, we will also sculpt the lease repayments based on commodity prices
- Either minimum and maximum cap needs to be implemented upfront or part of the repayments is not fixed until a PPA has been signed (to be able to sculpt)

## What problems does it solve

- The mismatch in the lease repayments and the commodity prices. Cash flows are not aligned.
- High Power Purchase Agreement (PPA) prices would result in higher lease repayments. Ability to reduce the risk (future liability) during times of high commodity prices.
- Debt Service Cover Ratio's (DSCR) would be screened on a yearly basis (or two/three yearly depending on PPA)

## What customers does it help

- Special Purpose Vehicles (SPVs) will be able to fix a certain margin over the tenor of the lease contract
- Cashflows will be better aligned and easier to manage for the Lessee
- Dividends will be at a (quasi) constant level
- Long term vision on the project where the payback period is linked with the lease tenor

# FEATURES & COMPETITION

## Novel Features of Solution

- Lease repayments that are sculpted according to commodity prices
- Lease repayments based on the PPA signed, which can be fixed for one, two or three years
- Minimum and maximum cap for the lease repayments, for example 80% - 120% based on linear repayments, depending on the PPA
- Flexible residual value at the end of the contract, with a possibility to prolong the duration of the contract

## Competing Solutions

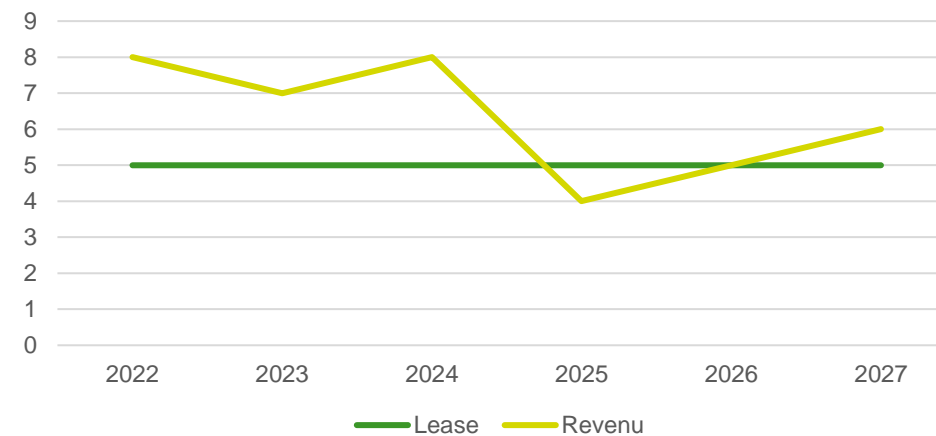
- Cash sweep, which is not applicable in a lease structure
- Fixed repayments
- Seasonal repayments (only applicable for solar – and production focused, not commodity price focused)

# HOW DOES THE PRODUCT CREATE VALUE

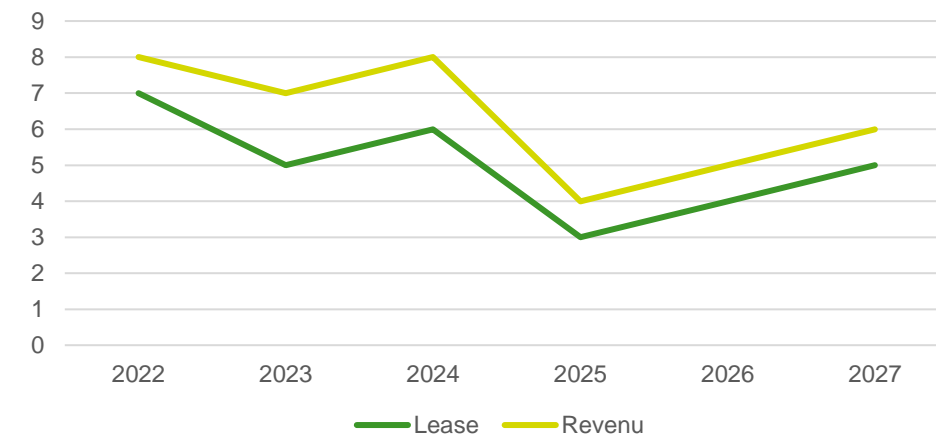
## Value Creation Opportunity

- Target equipment are intermittent energy generating assets with a certain predictability, such as wind turbines and solar parks
- Sufficient buffer for the SPV in times of very low electricity prices and hence low lease repayments, which as a consequence has either (i) a higher residual value or (ii) a longer lease tenor
- Creates value for shareholders of the SPV's by providing a constant level of dividends
- Reduces the risk for a bank and potentially reduces the Risk Weighted Assets (RWA). Historically almost all projects have out qualify the banks' conservative scenarios, which means they would fit within this framework.

Linear repayments



Sculpted repayments



# Complexities Reviewed & Requiring Further Investigation

## Risks & Regulatory

- Flexible residual value might be a hurdle from a regulatory POV
- Risk should be rather limited, we are talking about SPV's, there are two possibilities:
  - High cash repayments: risk is lower and residual value will be limited
  - Lower cash repayments: risk is higher but possibility to prolong the lease tenor if the residual value is still high end of the contract
- Cash flow management
- Risk of large upstream dividends is limited

## Operational & Tech Considerations

- Policy needs to be created to make a framework with the possible features and caps
- Challenge from an administrative perspective to follow up PPAs and adapted lease repayments, automated system to be created

## Change Management

- Change in the cash flow structure of the client
- The Lessor would have less risk in this structure, dividends are limited when there are higher prices (due to higher leases)
- The Lessee would have a more linear profitability, see previous slide

## Funding

- Funding will not be impacted from the bank perspective
- Funding should be more open for investors because projects can be better sculpted (no extremely conservative cases needed from a bank perspective)
- Potential collaboration to be verified with EIB/EIF to attract more interesting funding (margin or guarantee based for example)

FUTURE GROUP 2022

# Preferential pricing for 'sustainable' lease transactions



**Katharine Harman, Novuna**  
Asset Portfolio Manager

# DESCRIBE THE SOLUTION

## Innovation Description

- Integrate CO<sub>2</sub> emission data for each vehicle into scoring/pricing models
- Higher emissions = higher interest rate and/or fees

## What problems does it solve

- Help the Financing company to “push” customers towards vehicles with lower emissions
- Increases green assets leasing penetration

## What customers does it help

- Customers who are willing to buy a vehicles with lower emissions will be rewarded with lower interest rates/fees



# FEATURES & COMPETITION

## Novel Features of Solution

- Add emission data in scoring models, and calculate price depending on more than just credit score
- Create a more rewarding scheme for green asset transactions

## Competing Solutions

- Government grants / incentives for greener vehicles
- Conversely government restrictions on high CO2 (road tax etc)

# HOW DOES THE PRODUCT CREATE VALUE

## Value Creation Opportunity

- Accelerates the transition to EV
- The Leasing Companies balance sheets will become greener, which leads to lower risk for “stranded assets” in the future, compared to other companies
- Easier to attract investors with a green balance sheet

# Complexities Reviewed & Requiring Further Investigation

## Risks & Regulatory

- Customers buying low emissions vehicles will finance them at the company giving lowest interest, leading to the customer buying higher emission vehicles goes elsewhere

## Operational& Tech Considerations

- Emission data needs to be implemented into the Financing companies scoring models. (e.g. API's)
- Calculations needs to be integrated so the pricing across the portfolio of electric and ICE vehicles will be in equilibrium after implementation

## Change Management

- The management level needs to understand that if they do not transform their portfolio to greener assets in the same pace or faster than their competitors, their risk of Stranded Assets will increase.

## Funding

- Self financing – customer buying high emission vehicles pays for the ones buying lower emissions vehicles. Prices could be estimated based on previous data, and an estimation of future financing of low vs. high emission vehicles.
- Easier to attract investors with a greener portfolio

FUTURE GROUP 2022

# Sustainable Management of Assets at the EOL



**Ilaria Montaldi, Grenke**

Sales, Ops, Customer Journey Specialist

# DESCRIBE THE SOLUTION

## Innovation Description

The creation of a system of green certificates in order to promote sustainable behaviours among Leasing Companies starting from the management of existing and obsolete assets at the end of the lease.

See the model ([slide 7](#))

## What problems does it solve

- Less waste at the landfill
- Higher availability of secondary raw materials

## What customers does it help

- Leasing Companies
- Recycling companies
- Companies that use secondary raw materials in their production (and their customers)

# FEATURES & COMPETITION

## Novel Features of Solution

- No more costs for the Leasing Companies for the disposal of products at the landfill
- Green certificates issued to Leasing Companies for their effort in a more sustainable management of obsolete products
- Generate a tax benefit for the recycling companies through a “certification process” when a certain volume of recycled material is reached

### Example

- 1 ton – 5 ton > 3% discount
- 6 ton – 10 ton > 5% discount

## Competing Solutions

- Disposal of goods at the landfill
- Raw materials

# HOW DOES THE PRODUCT CREATE VALUE

## Value Creation Opportunity

- Target equipments: products that have a rapid obsolescence and that have materials such as plastic, aluminum (eg. security systems, telephone systems, medical equipment, IT hardware)
- More availability of the secondary raw materials onto the market
- Increased adoption of the Circular Economy model, where the disposal of products at the landfill is the last choice

# Complexities Reviewed & Requiring Further Investigation

## Risks & Regulatory

- Not enough infrastructures in relation to the number of potential applications
- Regulatory framework to be developed

## Operational & Tech Considerations

- The Recycling Companies would need specialised machines to transform the obsolete components onto secondary raw materials
- The biggest challenge would be to convince companies to convert their production using secondary raw materials (sometimes to change the raw materials used in the production activities, the companies have to pay a lot in order to test the new material and verify the quality of the final products)

## Change Management

- Who is impacted – Leasing and Recycling companies
- To achieve the success is important to set incentives for the purchase of secondary raw materials, considering that the recycling companies would buy the products from the leasing company only if they were able to find a market for the secondary raw materials.

## Funding

Presumably no difference in the manner in which this product is funded



**Contract between the parties with the following conditions:**

**LEASING COMPANIES**

Collection of all obsolete products at the EOL

Green certificate issued after the sign of the contract

Delivery of obsolete products

Payment for the obsolete products received

**RECYCLING COMPANIES**

Recycling of obsolete products in order to produce secondary raw materials and sell them onto the market

Green certificate («Certificate of Waste») that generate tax benefits after reaching a certain volume of recycled products.

FUTURE GROUP 2022

# Paying for Energy Efficiency Performance



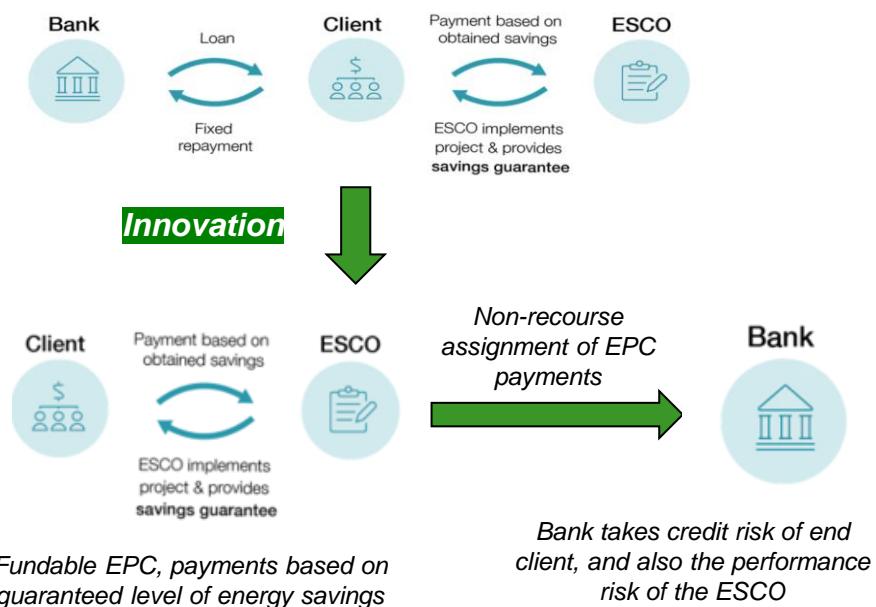
**Sam Allison, SGEF**

International Programmes Manager

# DESCRIBE THE SOLUTION

## Innovation Description

- The design and creation of a standardised and fundable Energy Performance Contract (“EPC”) based on a Guaranteed Savings Model (“GSM”)



## What problems does it solve

- It removes the capital investment risk for the client
- Strengthen the value proposition of the EPC provider
- Small scale renovations and retrofits (>80% are less than €500k) are not attractive to project developers or investors, but a fundable EPC supported via the asset finance industry could solve this problem
- Standardization of contracts would allow for potential aggregation of EPCs for Institutional Investors and Financial Institutions

## What customers does it help

- Building owners, particularly those showing a preference for outsourcing energy management

# FEATURES & COMPETITION

## Novel Features of Solution

- Linking the guarantee of energy savings to the capital re-payments made under the EPC contract
- Standardized EPC template for small scale renovation and retrofit projects
- Financing mechanism based on a non-recourse assignment
- Performance risk considerations. If the energy savings are not met, then the EPC Provider will cover the difference to the funder
- Assessment of projected energy savings will be based on M&V protocols, such as IPMVP
- Possible accounting benefits for end clients (to be investigated\*)

## Competing Solutions

- Shared Savings EPC model (where the ESCO funds the project themselves...the solution does not serve small ESCO's, and is not scalable)



- ESCO
- Chauffage contract, where the ESCO takes over full responsibility for energy management of the client

# HOW DOES THE PRODUCT CREATE VALUE

## Value Creation Opportunity

- Target equipment, segments etc.
  - Wide-range of behind the meter assets, distributed renewable generation, and demand response technologies. E.g., LED, CHP, Heat Pumps, PV, Insulation, and HVAC. Sizeable sector-driven market segments include office, retail/leisure, and industrial buildings (private sector), and municipalities, health and education buildings (public sector).
- Value pools being targeted
  - Building owners who wish to de-risk their investments for improving the energy efficiency of buildings which they occupy
- High-level business case / economic case
  - Buildings are responsible for the largest share of European final energy consumption (40%). Large scale financing of energy efficiency retrofits for non-residential premises will be required to reach Europe's 2030 energy efficiency and carbon reduction targets. A standardized and fundable EPC will help to drive adoption of EPCs by de-risking the investment for the end-client
- Pricing Model (High level)
  - Pricing model ultimately driven by balance of energy savings enabled by an energy efficiency project. The bankability of the project should be partially based on the ability for energy savings to offset the cost of debt. Savings over and above the guaranteed level could be shared with the funder. The savings generated should be measurable and verifiable based on a universal framework or protocol (e.g., IPMVP)

# Complexities Reviewed & Requiring Further Investigation

## Risks & Regulatory

- What risks does the model generate
- Performance risk (i.e., the risk that the guaranteed energy savings are not realized, resulting in EPC provider paying the shortfall to the funder)
- Typical tenure of small scale EPC's at 7-10 years
- Typical size of small scale EPC's at 500-1m euro
- What regulatory hurdles.
- The regulatory landscape is generally driving adoption of EPC's (Energy Efficiency Directive, Energy Performance of Buildings Directive,
- Legal ownership of certain assets may not be possible in some jurisdictions where the asset is treated as a part of the building (limiting asset security)

## Operational& Tech Considerations

- How would this be operationalized
- Working alongside the existing EU Directive named 'Launch 2020'
- Clarify boilerplate provisions to be inserted into a fundable EPC Contract
- What technology is required to sell, operate, bill, govern the product.
- The technology for M&V sits with the ESCO / EPC Provider. This may need to be auditable by a funder in case of dispute regarding energy efficiency performance
- Robust processes for managing billing and collection risk required
- What challenges to integrate with existing products
- Establishing processes for managing performance risk

## Change Management

- Who is impacted
- The EPC Provider / ESCO / The Funder and respective stakeholders/ FI's
- What resistance needs to be overcome to succeed.
- Shifting mindset from financing based on asset security, to financing based on the projected energy savings of a project (i.e. quasi project finance)
- What strategies may need to be deployed to achieve success
- Deep study and understanding of EE projects, possible savings, M&V protocols
- Alignment with strong ESCO's
- Targeting public sector clients, where default risk is lower
- Adopting an insurance model to cover any shortfall in debt repayments resulting from lack of performance of ESCO

## Funding

- How will the product be funded?
- Through the bank owned lessors (who may have the ability to aggregate and sell EPC projects)
- What challenges to find funders
- Significant appetite from funders / investors / FI's for EE related investments
- What strategies to overcome the challenges?
- The complexity of constructing a standardized EPC contract. Alignment with an EU wide initiative which already has the benefit of several sponsors which includes ESCO's, energy consultants, project developers and Banks presents the best way and opportunity to overcome these challenges



FUTURE GROUP 2022

## Team C: CO2 neutrality for automotive fleets



Tomasz Otto, PKO Bank Polski S.A. Group  
Emre Eskin, BNP Paribas Leasing Solutions  
Fanny Touron, ALD Automotive  
Valentina Peraro, Alba Leasing  
Eduardo Vidal, DLL Spain



FUTURE GROUP 2022

# CO2 Calculator (Web Service/App) For Fleet Customers

---



**Emre Eskin, BNP Paribas Leasing Solutions**

Sales & Business Development Manager



# PROJECT 1 PRESENTATION

## CO2 CALCULATOR (WEB SERVICE / APP) FOR FLEET CUSTOMERS

### Innovation Description

- The app estimating customer's potential yearly greenhouse gas emissions & guiding on how to achieve CO2 neutrality
  - CO2 Calculation for fleet
  - CO2 Calculation for entire employee mobility
- Value Proposition: An easy-to-use carbon calculator/management service for SMEs.
- Mission Statement: To help fleet customers' CO2 transition and to make an environmental impact.

### What problems does it solve

#### Phase I:

- 1) Small and Medium size companies may not have budget to use consulting services to determine how to reduce carbon footprint.
- 2) Targeted segment (SMEs) does not have past CO2 data. They cannot define their targets on carbon emissions.
- 3) Lack of Competition and differentiation among customers.
- 4) Fleet companies cannot estimate carbon emissions since they cannot reach to all car park data

#### Phase II:

- 1) Getting real-time emission data
- 2) CO2 Calculation for entire employee mobility

### What customers does it help

- SMEs that do not have opportunity or lack of methodology knowledge.
- Companies that have CO2 KPIs.
- Individuals/employees that care about CO2 emissions.
- A platform redirecting to lots of partners' services after CO2 calculation (OEM, Leasing Companies, etc.) – Partnerships & Data Monetization

# FEATURES & COMPETITION

## Novel Features of Solution

### Phase I:

- 1) Easy to use standardized CO2 Calculation
  - Data import coming from Fleet manager regarding information of its fleet during a full year
- 2) Recommendations on how to reduce CO2 emissions
  - Showing past emissions and estimations
- 3) Certification and Competition
  - Providing customers ranking and certification standard rewarding those who achieve best (lowest) CO2 emissions
- 4) Partner ecosystem

After the calculation results creating the link to partner's platforms and making recommendations.

### Phase II:

- 1) Gathering Real-time Data from the Fleet (customer will be charged for service)
- 2) Data import coming from employee survey: here it is more to calculate CO2 emissions for the entire employee of a company (yearly Survey).

## Competing Solutions

- Local CO2 Management Platforms
- Consulting firms advising on Mobility & CSR
- Big fleet companies' in-house consulting entities
- Fleet Management companies

## Complexities Reviewed & Requiring Further Investigation

### Risks & Regulatory

- Validation of data entered
- Cybersecurity Risks since it is a crucial data
- GDPR

### Operational & Tech Considerations

- Web Service or Mobile Application Development (from scratch or with a partner)
- Reaching to current and past car databases (JATO etc.)
- Data Storage
- Cybersecurity
- GDPR

### Change Management

- Taking companies to board.
- Consistent data entry by customers
- All leasing companies support is necessary
- Employees or SMEs not eager to manual data entry

### Funding

- Leaseurope or Leasing Companies Consortium
- European Union Sustainability Funds
- Government Support
- ALD or other Leasing Companies

# HOW DOES THE PRODUCT CREATE VALUE

## Value Creation Opportunity (Customers)

Free & Low  
Package

### Standardized Carbon Calculator as a service:

- Customers need an easy-to use standardized service.
- Service might help them to grow faster by hiring better/new generation employees.
- Employees could also calculate their foot print

Consulting Service

### Consulting Through Recommendation By Using Data:

- Analyzing past emission data
- Defining KPIs by following-up their trends gathered in the app/web service.
- Transforming their fleets to EV in accordance with their targets.

### Standardized Certification

- Customers could use certification for their marketing needs.
- Competition will be increased with ranking
- Employees will push management for a better footprint

Premium

### Phase II: Real-Time data collection

- Giving a better/correct insight to customer
- Which employee drives better / which has higher emissions?

## Value Creation Opportunity (Business Perspective) :

Leaseurope will earn monthly membership fees for different services provided

### 1) Free & Low Price Option

- 1) Data Monetizations (applicable for all)
- 2) Advertisement
- 3) Fees from partners' ecosystem (applicable for all)

### 2) Consulting & Transformation Roadmap

### 3) Premium Service

- 1) Future estimations on CO2 emission
- 2) Ranking and average CO2 emissions for customers
- 3) No advertisement
- 4) Additional Services (tbd)
- 5) Potential discounts from partners

FUTURE GROUP 2022

# Solution for Managing Corporate Mobility (MaaS)

---



**Fanny Touron, ALD Automotive**

Global Head of Innovation & Products

# PROJECT 2 PRESENTATION

## SOLUTION FOR MANAGING CORPORATE MOBILITY (MaaS)

### Innovation Description

Extend current budget allocated to car lease, to additional and greener mobility services (public transport, E-Bikes, etc)

- As a Mobility Manager : online solution to design Mobility policy & budget
- As an employee : online solution to spend my Mobility budget according to rules designed by my company
- As an employee : payment solution via the app + via Mobility card when needed

### What problems does it solve

- Allow companies & employees to access to other mobility modes by offering multimodal options within a mobility budget
- Facilitates tracking spending on green mobility services, both at company and at employee level

### What customers does it help

- All types of customers, ranging from large corporates to SMEs (with first attraction to large customers)
- All types of employees : from employee with current budget for cars to employees without access to car

# FEATURES & COMPETITION

## Novel Features of Solution

- Admin platform : design mobility policy for employees, allocate budget per employee category, access to reports
- Employee platform / application : access to assigned mobility budget, book and pay for my travels directly via the app or thanks to a mobility card

## Competing Solutions

- In all areas where governments incentivize mobility budget for corporate, we can already find competitors in place (Skipr, Betterway, Free Now, Olympus, Worklife, ...)
- In areas where governments don't incentivize mobility budget for corporate : addressable customer segment isn't relevant to deploy a solution

# Complexities Reviewed & Requiring Further Investigation

## Risks & Regulatory

- Needs to be deployed in countries where governments proposed a preferred taxation around mobility budget for corporate (e.g Forfait de Mobilité durable in France)
- Requires a maturity of the mobility ecosystem to connect and access data
- Mobility card = payment card = bank regulations

## Operational& Tech Considerations

- Requires a maturity of the mobility ecosystem to connect and access data

## Change Management

- Deep transformation required at customer level to identify their transformation roadmap toward greener transportation modes + require support for customer to understand regulation around Mobility budget & taxes

## Funding

- Big mobility players investing in MaaS experts (Arval with Instant system, ALD Automotive with Skipr, ...)



# HOW DOES THE PRODUCT CREATE VALUE

## Value Creation Opportunity

This product is already in progress of development in areas where all required elements of the ecosystem are mature enough (mobility ecosystem technological maturity, data availability, governmental incentive for corporate toward greener mobility for employees via taxation support, etc).

Therefore, our analysis is that we don't bring any additional value by re creating this product in new areas where it is no yet deployed.

Nonetheless, we foresee a potential bridges to be created with other proposed product (e.g CO2 calculator, ...) that could come and digitally complete the current customer journey offered online via current MaaS applications.

FUTURE GROUP 2022

# CO2 Neutrality Score for OEMs

---



**Valentina Peraro, Alba Leasing**

Credit Risk Analyst

# PROJECT 3 PRESENTATION

## CO2 NEUTRALITY SCORE FOR OEMs

### Innovation Description

- Help understand CO2 impact of the entire value chain of OEMs in order to make better (,greener') procurement decisions
- Some information can be found on OEMs' annual reports but nothing exist to help having an easy view of their overall Carbon neutrality.

### What problems does it solve

- Support to easily identify green OEMs, based on not only their vehicle portfolio but also the carbon footprint of their entire value chains

### What customers does it help

- Leasing & fleet companies
- Automotive sector

# FEATURES & COMPETITION

## Novel Features of Solution

- Checklist of elements to be evaluated in the entire value chain
- Associated criteria and measures to be filled online by companies and linked to documents proving the status

## Competing Solutions

- Some players in the automotive sectors have begun to evaluate their potential partners according to a sustainability rate that verifies partners' performance in the areas of sustainability, environment and social responsibility

# Complexities Reviewed & Requiring Further Investigation

## Risks & Regulatory

- Validation of data entered
- Cybersecurity

## Operational & Tech Considerations

- Possible development of a specific software

## Change Management

- Incentives should be found to encourage OEMs to be rated

## Funding

- Leaseurope on consumption of OEM

# HOW DOES THE PRODUCT CREATE VALUE

## Value Creation Opportunity

- New factor of selection between OEMs
- OEMs will have to pay to have the rating
- Why is it important?

To create a product that not only has a low carbon impact on the environment while it is used but it has also been constructed with the lowest carbon impact possible.

The score will force the OEM companies to increase their CO2 neutrality in order to become or to remain the suppliers of the major automotive companies

FUTURE GROUP 2022

## Electric Charger Geolocalization Facilitator

---



**Tomasz Otto, PKO Leasing**

Strategy & Marketing Director

# PROJECT 4 PRESENTATION

## Electric charger geolocalization facilitator

### Innovation Description

- EV adoption is being slowed down by the lack of available chargers.
- Leasing and fleet companies based on vehicle users data, traffic and company routes could indicate a suitable area for the installation of electric chargers.
- Leasing companies could offer the geolocalization of the charges as an additional consultative service during the renewal of the fleet.
- This Software as a Service optimizes the geocalization of chargers in efficient way and maximize return on investment for those charging infrastructures.

### What problems does it solve

- Public concern, especially of large corporate clients, about lack of appropriate infrastructure for charging electric vehicles, limiting their willingness to transform their fleets.
- Currently leasing industry's involvement in chargers' localization is limited and acts as a asset-financing counterparty solely; a more substantial involvement, by facilitating the decision-making process of where to install chargers, could be considered.
- Leasing companies are "selling" 33% of the total EVs in the market with a big footprint that eventually could make them a key player also as a developer of the infrastructure

### What customers does it help

- Governments, regional municipalities
- Electric chargers infrastructure players
- Big corporate clients operating bigger fleets and requiring their own charging infrastructure
- EV manufacturers that might need the infrastructure to boost sales



# FEATURES & COMPETITION

## Novel Features of Solution

- Advisory services to validate the feasibility of the electric vehicle transition in fleet customers
- A dedicated software, which takes into account all kind of data, e.g. about traffic in different locations, time spent per location, accessibility etc. which help determine an ideal location for a next charger under predicated conditions.
- A key differentiator will be the capability to take into account all the existing commercial routes from a customer's fleet and use it as an extra variable for the optimization of the investment.

## Competing Solutions

- There are geolocalization tools, e.g. which help determine where to open a new store (dataplace.ai) but none of them is specialized in electric chargers' location with all the technical requirements that are needed (power supply, regulation...)
- Available apps to find the nearest charger facility but not offering the advisory services of where a new facility should be located.

# Complexities Reviewed & Requiring Further Investigation

## Risks & Regulatory

- GDPR – How the data is input in the system
- Competitors might be better positioned to expand their services
- Collaborative approach between different leasing companies can be blocked by competitiveness authorities

## Operational& Tech Considerations

- Tech: Software to be developed with different data entry points that need to be validated
- Potential Risk: how to obtain and analyze all the data regarding charging needs based on the customers existing commercial routes

## Change Management

- Leasing companies would need to change into a tech company mindset to implement this SaaS
- Leasing companies would need to show their capabilities and knowledge around mobility to market their services in a wider angle
- Local Governments need to prioritize this lack of infrastructure and make it a public problem in order to be part of this transition

## Funding

- Requires initial investment to build a geolocalization software
- Alternatively, the problem could be addressed by starting a cooperation with an offline analytics company
- Leaseurope or Leasing Companies Consortium
- European Union Sustainability Funds
- Government Support
- Leasing Companies

# HOW DOES THE PRODUCT CREATE VALUE

## Value Creation Opportunity

- Software as a Service solution with a unique mix of data including:
  - Traffic information
  - Existing charging facilities & infrastructure
  - Commercial Routes from customers' fleet
- Collaboration with public entities & technical suppliers to efficiently place new chargers
- Maximize return on investment for new facilities with high usage
- License to access data and use it for making informed decisions on mobility in general

FUTURE GROUP 2022

# Joint Productization and Monetization of CO2 Neutrality Policies Affecting Leasing and Fleet Companies



**Tomasz Otto, PKO Leasing**

Strategy & Marketing Director

# PROJECT 5 PRESENTATION

## Joint productization and monetization of CO2 neutrality policies affecting leasing and fleet companies

### Innovation Description

- The idea is to build products and/or services productizing and monetizing CO2 regulations often resulting from EU directives.
- The solution would help all European fleet companies in that sense that instead of building own standards / own interpretations / own products in order to adapt to EU regulations, they could source them from ,the orchestrator'

### What problems does it solve

- Today, the incentives aiming at reducing CO2 emissions, are implemented at local, country-level. They are often subject to individual interpretations and require building dedicated solutions/products which is usually done at company's level.
- What the leasing industry lacks is:
  - a common view on these regulations,
  - a coordinated approach to shape them
  - as well as common solutions.

### What customers does it help

- All leasing and fleet companies, as all of them are expected to act against increasing CO2 emissions – instead of building individual solutions, they could invest in shaping standardized solutions
- Potential role for LeaseEurope, which seems to be well-positioned to play the role of the orchestrator in the interest of the whole leasing industry.

# FEATURES & COMPETITION

## Novel Features of Solution

- Standardized definitions, interpretations and approaches
- Standardized products, e.g. with ,Leaseurope's stamp' on it generating some revenue for Leaseurope for being an coordinator, enabler of standardized green leases

## Competing Solutions

- In leasing industry, lack of competitive organizations which may perform the duties of orchestrator instead of Leaseurope
- In banking, there are some initiatives which aim at standardizing certain directives at least, e.g. Payment Services Directive 2 (PSD2):  
<https://www.europeanpaymentscouncil.eu/news-insights/news/call-european-standardisation-initiatives-field-psd2-apis-participate-api-work>



# Complexities Reviewed & Requiring Further Investigation

## Risks & Regulatory

- Regulatory trend on European level to reduce the development of new ICE vehicles to limit emissions
- Risk of not sufficient impact of Leaseurope specific countries/companies.
- High dependence on country/European regulations to be able to enforce these measures
- 'prisoner's dilemma' - situation where one of the companies rejects to participate in order to make some short-term gains

## Operational& Tech Considerations

- Lack of cooperation / common ground between different stakeholders (companies, national organizations)
- Need for a unified measurement system across organizations and countries and resources to implement an "external" measurement or validation of this standards
- Tech: No tech aspects identified at this stage

## Change Management

- Identify point of contact in each leasing and fleet organization that will coordinate with Leaseurope the actions to be taken and the position to be held in the different topics
- Who would lead the efforts and prioritize the investments with the agreed funds

## Funding

- 'Potentially requires additional FTEs (to be further investigated how many) at LeaseEurope level to coordinate the efforts between members and shape a common point of view. On the other hand, a fee for using those standardized solutions could be considered to compensate the costs.

# HOW DOES THE PRODUCT CREATE VALUE

## Value Creation Opportunity

- Common definitions, solutions and interpretations - This would allow to avoid certain costs at companies' levels
- Green, asset-specific leasing products with LeaseEurope's stamp
  - Special types of green leasing products
  - Position Leasing product as a anti-fraud mechanism to distribute European funds to end-users
- Leasing industry's transition plan towards 'greener' fleet
  - Limiting financing of ICE Vehicles
  - Joint approach to implementing 'carbon composition' as a decisive factor for financing
- CO2 standardized measurement
  - Creating a standard for measuring the carbon footprint with CO2 compensation
  - Creating a "green certificate" with standardized requirements to be met by leasing companies that is monitored and controled by Leaseurope at European level

## Design a Roadmap

- Build a consortium with key people per leasing company + specify areas for standardization, joint products
- Identify key areas to work
- Establish a work methodology
  - Meetings
  - Members per company
  - Roles & Responsibilities





FUTURE GROUP 2022

# Leaseurope Annual Convention

## Cascais, Portugal

The top three ideas presented at the 2022 Annual Convention of the European Leasing & Automotive Rental Industry

---

FUTURE GROUP 2022

# Top 3 projects selected

The individual ideas presented in the previous section were discussed and developed in a series of meetings in 2022 at the *European House of Leasing* in Brussels. Based on a group vote and the opinion of Leaseurope and Invigors, the most promising concepts were selected and further developed by three teams of Future Group members.



Team A

**Your house of Leasing**



Team B

**Weecycle**



Team C

**Mobility CO2 Calculator**

FUTURE GROUP 2022

## The Leaseurope Annual Convention

---



The top three ideas were presented in front of an audience of European industry practitioners at the Annual Convention of the European Leasing & Automotive Rental Industry in Cascais, in October 2022. The audience provided live feedback through voting and a Q&A session on how the ideas would work in a real business environment.

To receive more information on the Future Group and the Convention, please contact [s.vanbakel@leaseurope.org](mailto:s.vanbakel@leaseurope.org)



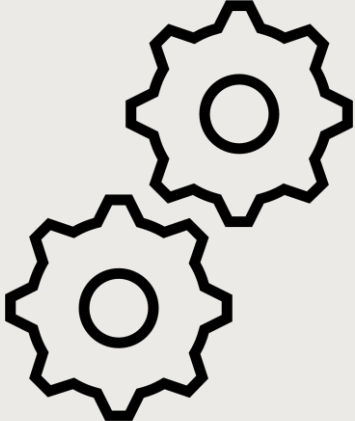
FUTURE GROUP 2022

# Team A

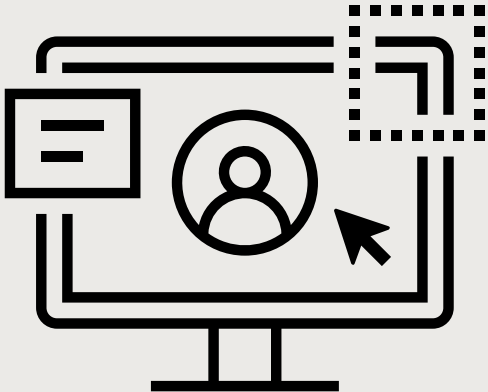
## Your home of leasing



# The impact of digitalisation on the leasing industry



Efficiency



Customer  
Experience

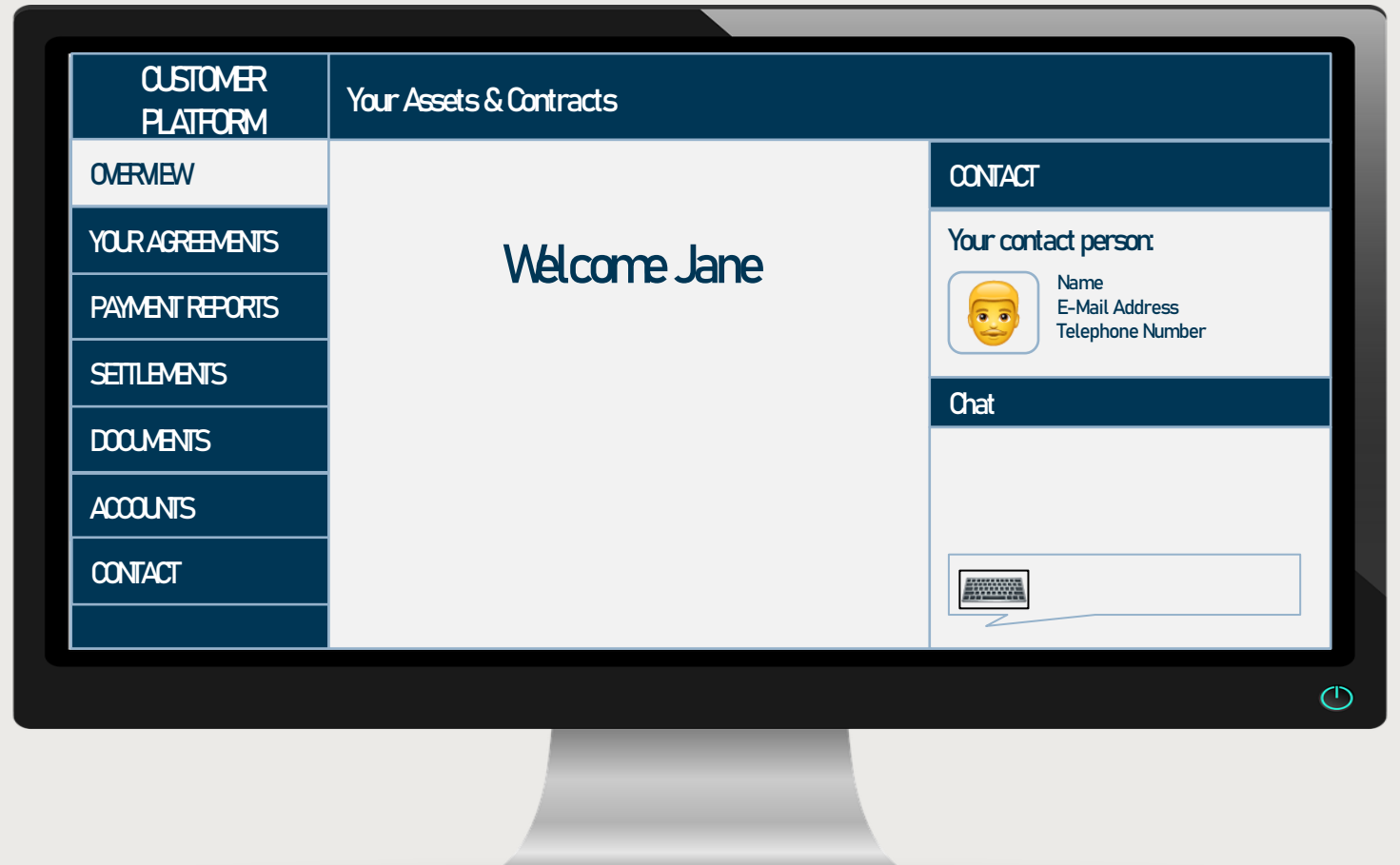
# Many customers - similar needs: TOP 5 issues

- 1 (Early) Termination | Settlement information & quote
- 2 Payment schedules
- 3 Copy of agreements & invoices
- 4 Overview of agreements & open balances
- 5 Asset information & registration details

*\*Result of survey with 15 customer service managers & 10 sales professionals. Scope: Requests for active agreements*

**How do we address these customer needs efficiently while providing a great customer experience?**

# An integrated platform to meet our customers' needs





# CUSTOMER PLATFORM

## Your Assets & Contracts



Contract view  Asset view  Active agreements  Past agreements

OVERVIEW

YOUR AGREEMENTS

PAYMENT REPORTS

SETTLEMENTS

DOCUMENTS

ACCOUNTS

CONTACT

Contract ID	Asset / Machine	Manufacturer	Last Instalment	Serial Number	Contract	Ownership	Cost centre	Customizable Column
#1	MRI Scanner	Brown	22/05/2023	XDF098123D		Customer	Radiology 2	Order number 11230
#2	MRI Scanner	Delta	16/07/2027	HYF00231F		Customer	Radiology 2	Order number 11231
#3	Surgical Robot	Beta	07/12/2023	AB091AD33		Leasing company	Surgery 4	Order number 33567



# CUSTOMER PLATFORM

## Payment Details & Open Balances



Incl. VAT



Excl. VAT



Show as per [date]

OVERVIEW

YOUR AGREEMENTS

PAYMENT REPORTS

SETTLEMENTS

DOCUMENTS

ACCOUNTS

CONTACT

Contract ID	Asset / Machine	Manufacturer	Payment frequency	Rate (as per freq.)	Sum of outstanding payments	Next invoice due	Invoices	Amortization schedule
#1	MRI Scanner	Brown	Monthly	1,256.87 €	6,566€	10/11/2022		
#2	MRI Scanner	Delta	Monthly	2,815 €	10,884€	15/10/2022		
#3	Surgical Robot	Beta	Semi-annual	5,778€	40,106€	06/03/2023		



## Settlements & Terminations



Incl. VAT

Excl. VAT

Contract ID	Asset / Equipment	Manufacturer	Rate (as per freq.)	Last payment due
#1	MRI Scanner	Brown	1,785€	14/08/2023

### Manage your agreements

Advance or delay a payment

Extend the term

Request a settlement /  
buy-out equipment

Why would you like to settle your agreement?

- Purchase the equipment
- Trade-In for newer equipment
- Liquidity available
- Other

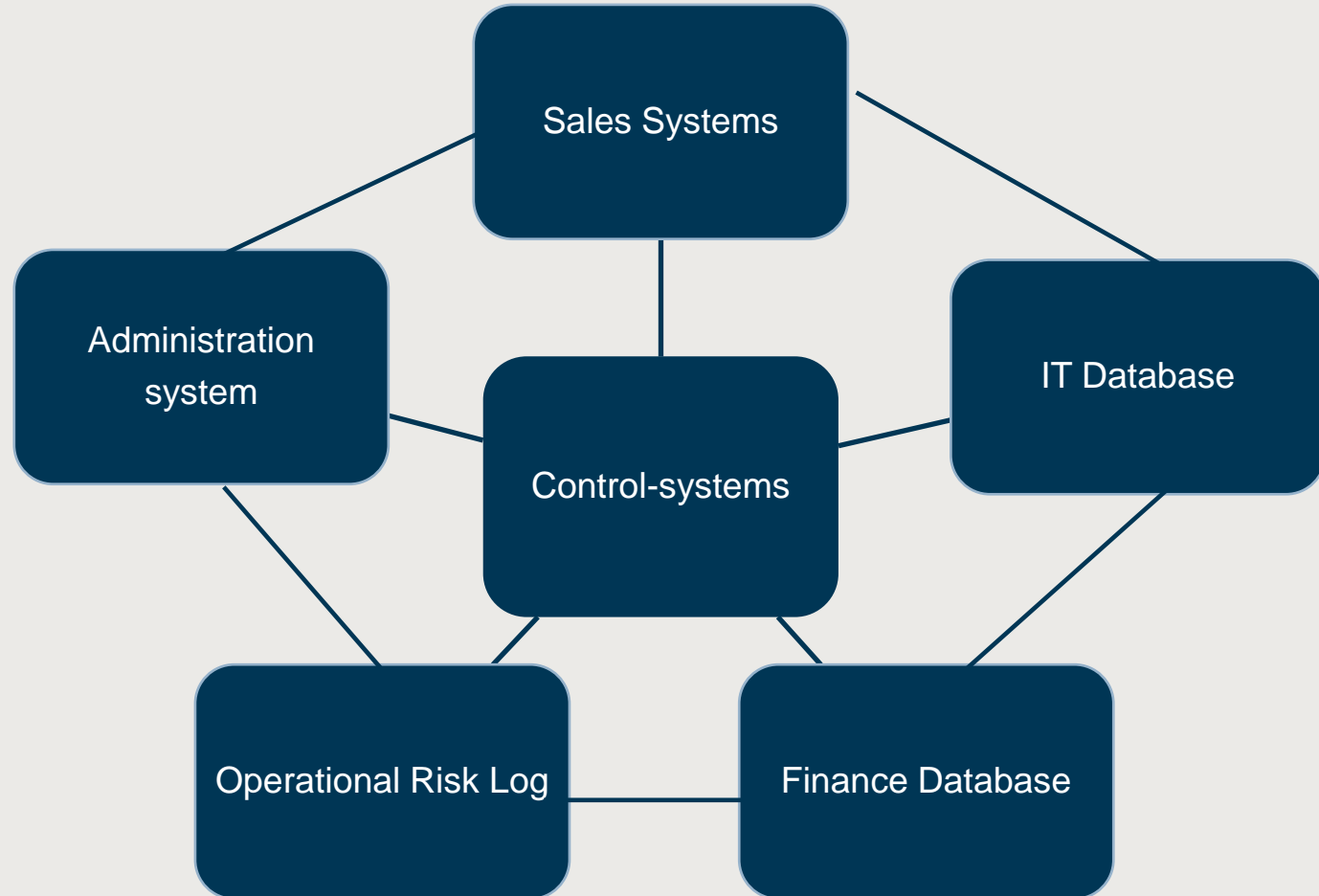
When would you like to settle your agreement?



Based on your selection, you can settle your agreement for an *estimated* 11,056€.

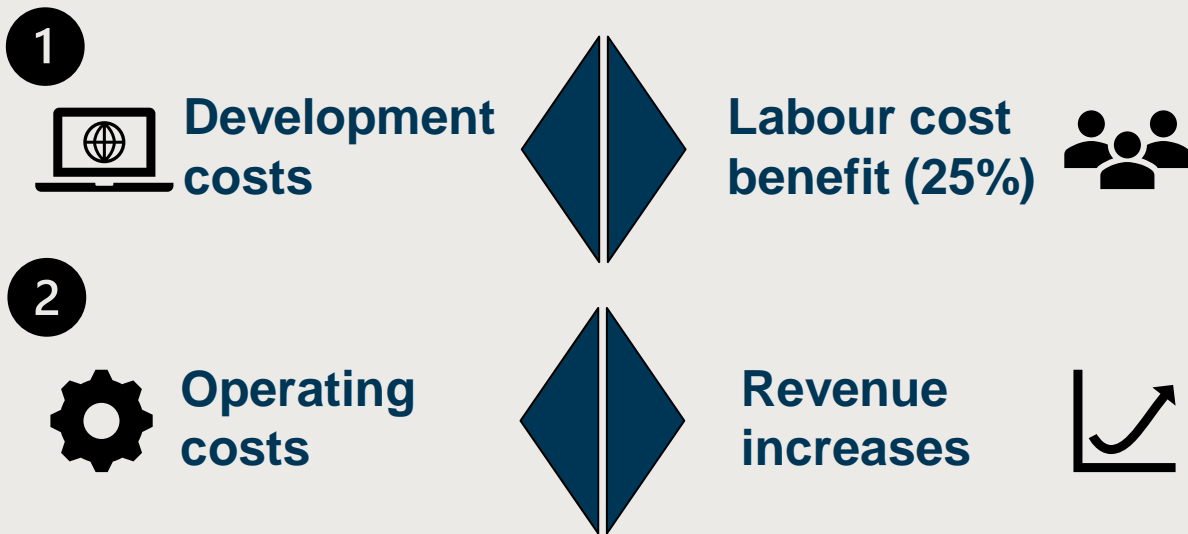
Would you like to receive an official quote for settlement of this agreement? Then please click [here](#).  
A leasing representative will contact you within 2 working days.

# New front end - Building on existing architecture



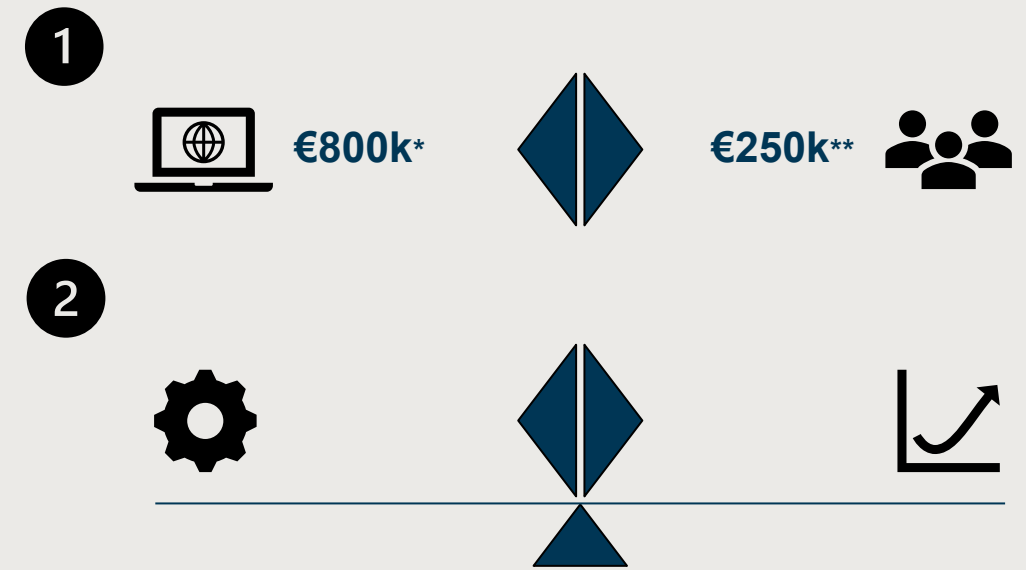
# Business Case: Breakeven through cost reduction & revenues increase

## Key factors & assumptions



## Example

Fictitious leasing firm with:  
Portfolio: 70,000 contracts  
Service team: 20 agents



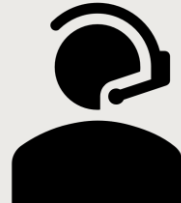
**Breakeven: 5 years**

\* 1,000 man-days; 100€ hourly rate  
\*\* 5 agents; annual costs 50 k€ per agent

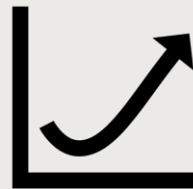
# Leveraging the customer platform to increase revenue



Customer  
Satisfacti  
on



Re-focus  
Service  
Teams



New  
Business



Cross-  
Selling




Targeted  
Offering

# Increase revenue for leasing & vendor partners via customer touchpoints



Customer  
Touchpoints



  
Send

From	settlements@leasingfirm.com
To	jane.doe@hospital.com
Subject	Your settlement request: MRI Scanner Model 3.4

Dear Ms. Doe,

You have requested an early settlement quote for your MRI Scanner Model 3.4

As a valued customer, we would like to offer you the opportunity to upgrade your equipment to latest MRI Scanner Model 3.8, featuring improved image resolution. You can upgrade to the 3.8 model for only €345 additional to your current monthly rate.

If you are not interested in new equipment, you can settle your agreement for a total of €15,892 due on 31.11.2022.

Kind regards,  
Your leasing firm

**New  
Business**

# Increase revenue through cross-selling on customer portfolio



ONLINE PLATFORM

Your Assets & Contracts

Contract view  Asset view  Active agreements  Past agreements

Contract ID	Asset / Machine	Manufacturer	Leasing company	Serial number	Contract	Ownership	Cost centre	Customizable Column
#1	MRI Scanner	Br...	...	...		Customer	Radiology 2	Order number 11230
#2	MRI Scanner	De...	...	...		Customer	Radiology 2	Order number 11231
#3	Surgical Robot	Be...	...	...		Leasing company	Surgery 4	Order number 33567

**Cross-Selling**



# Increase revenue through targeted finance & equipment offerings



Leasing companies

*Save liquidity for when you need it – lease your next equipment*



Vendor Partners

*The new MRI Scanner Model X: Higher resolution for better diagnosis*

Targeted Offering



Relevant Insights

*IFRS – How it might impact your business and investment decisions*

**BOLD INVESTMENT**

—

**BIG PAYOFF**



FUTURE GROUP 2022

**Team B**

Weecycle





*“E-waste is the fastest growing waste stream in the EU and less than 40% is recycled...  
...the rest is unsorted “*



54.7 M tonnes of waste annually



€10-15 billion...



... with an estimated 75% on full amortising finance leases



What happens to that equipment at lease expiry?



# Problem Statement



▪ SECRET

## A B2B Marketplace

Contribute to a Greener Planet

End-to-end Transaction Platform



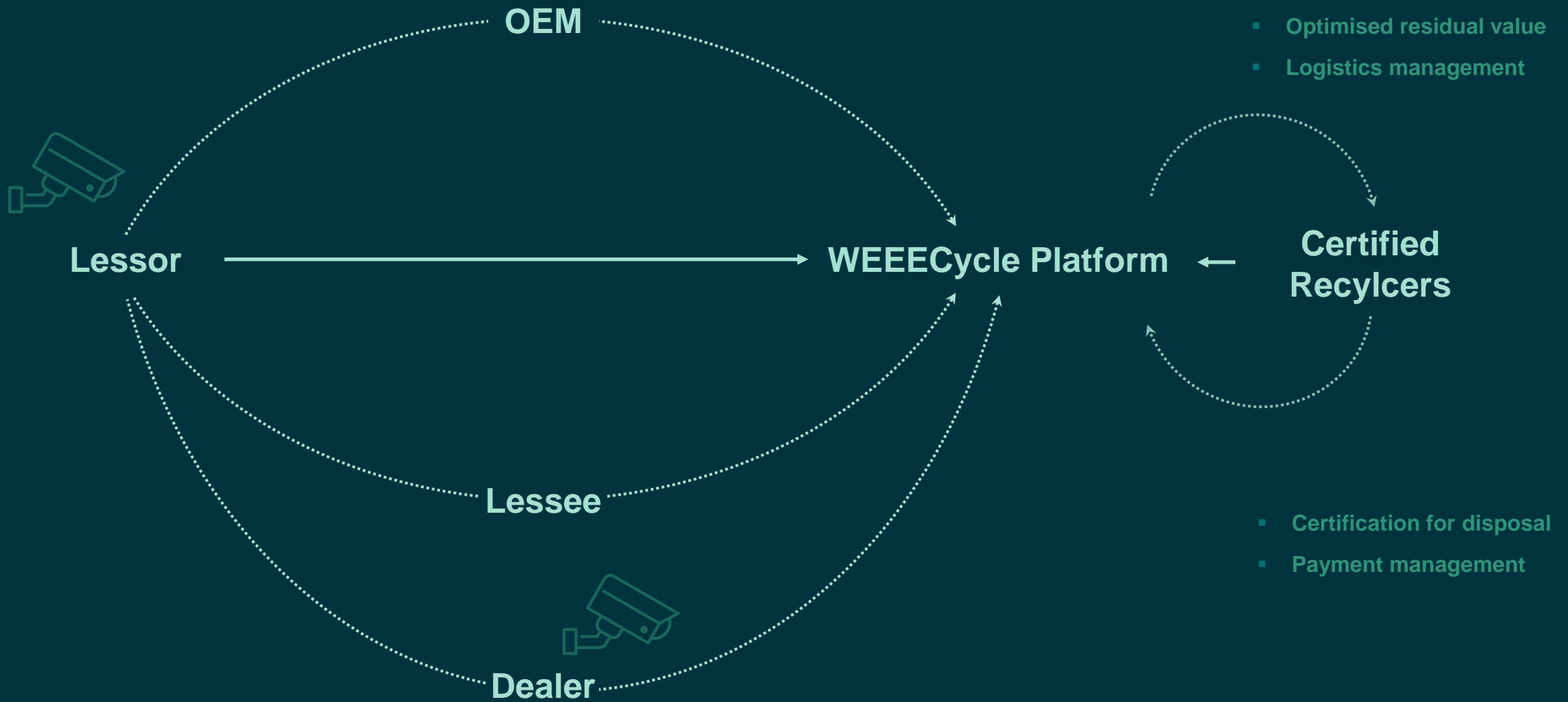
Evidencing Sustainability

Economic Incentives

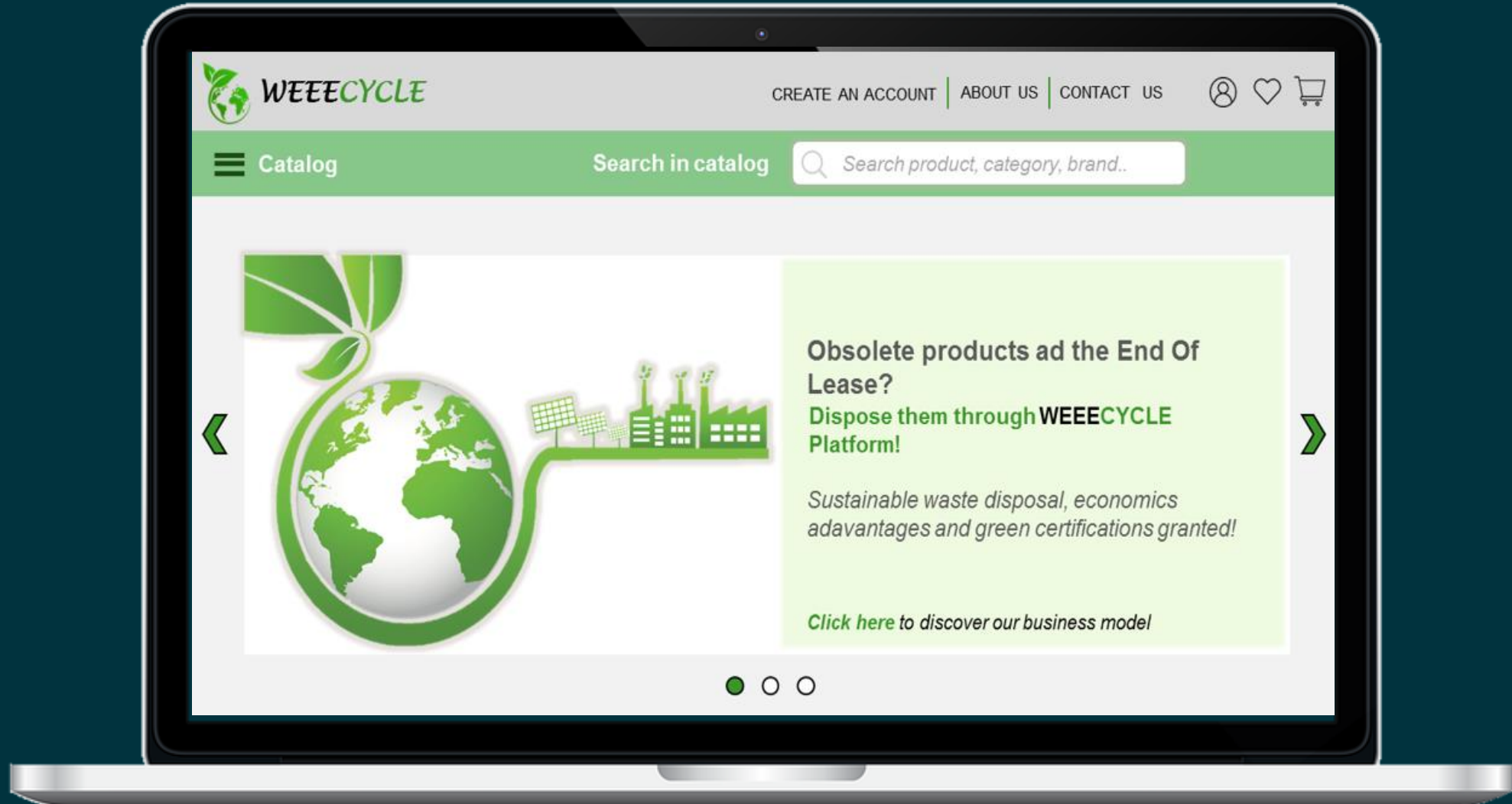
WEEE Compliance

A B2B marketplace which links e-waste demand to e-waste supply

# Who is it for?

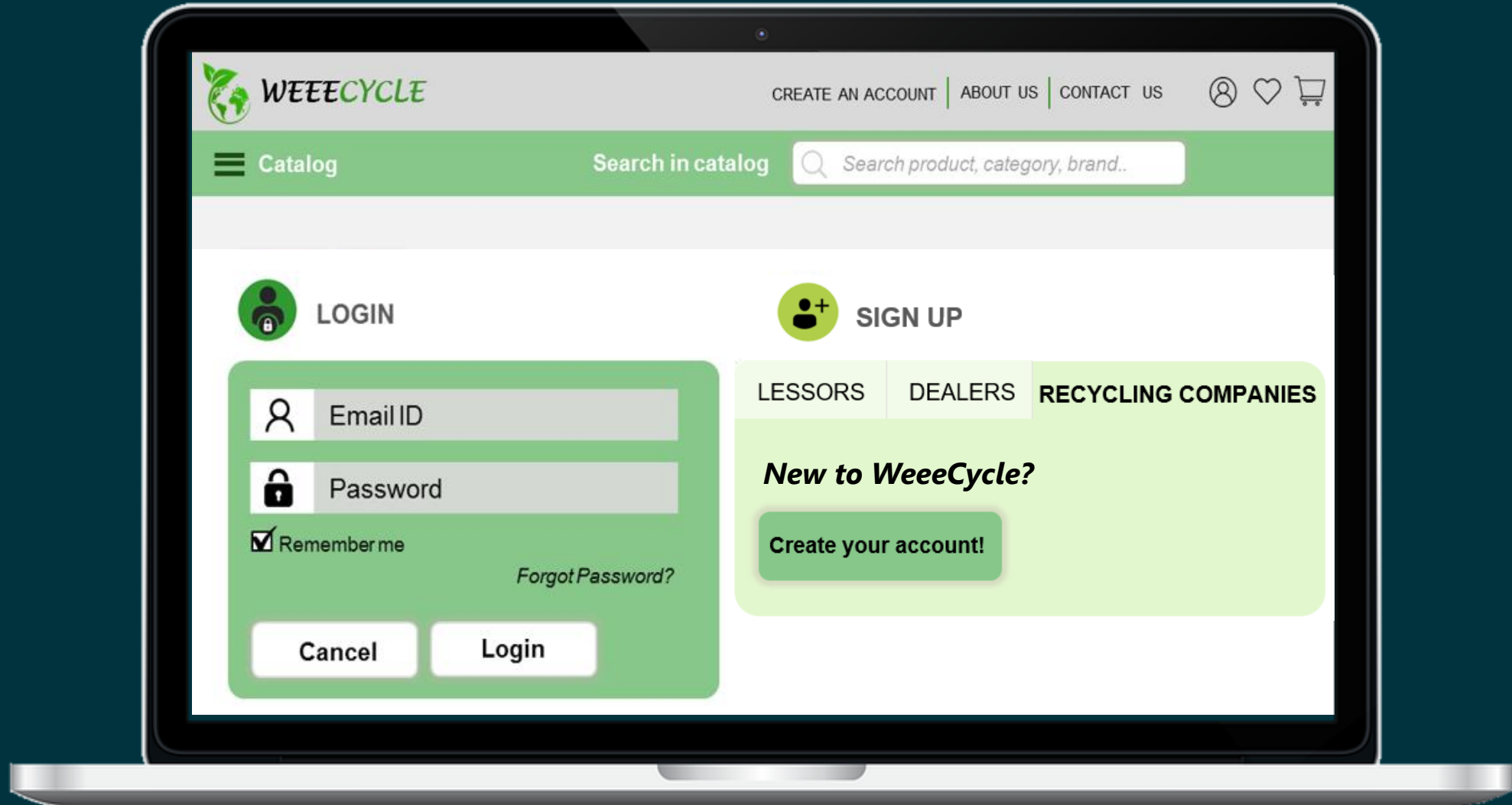


# The WeeeCycle Platform

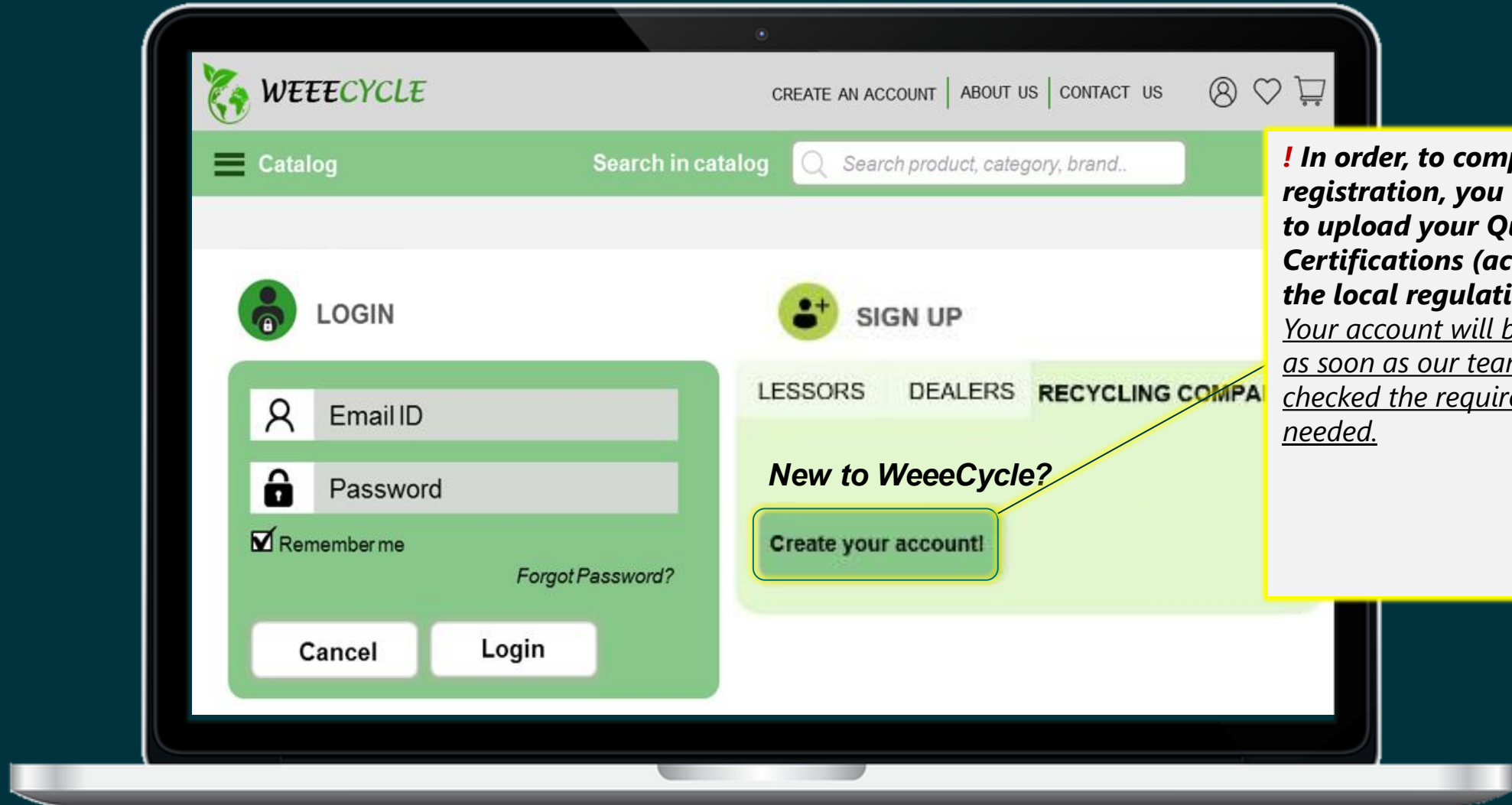




# Login Page

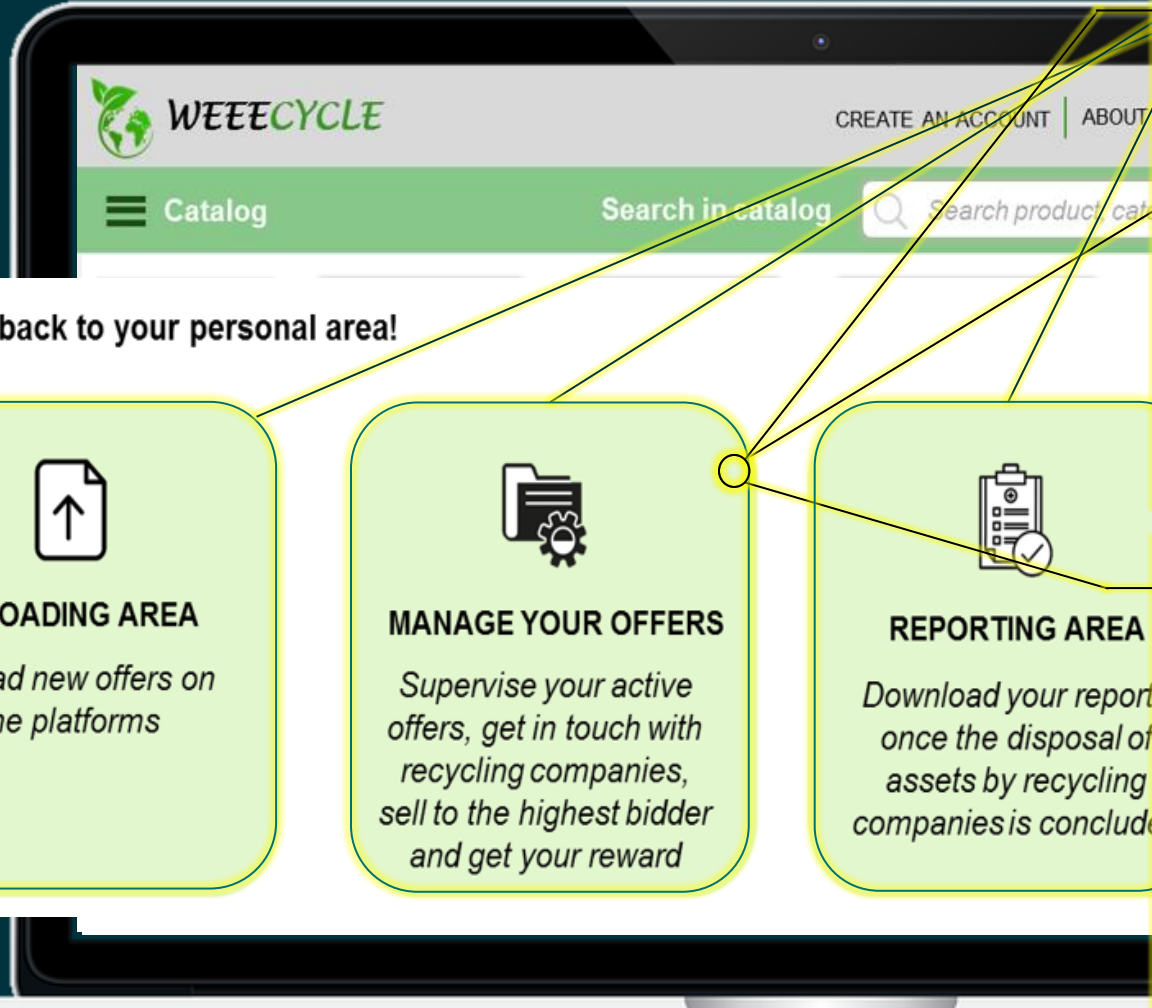


# Recycling Company Interface



***! In order, to complete your registration, you are required to upload your Quality Certifications (according to the local regulations). Your account will be available as soon as our team will have checked the requirements needed.***

# Recycling & Disposal Interface



**Geog**

 **FINAL REPORT**

 **REPORT N. 12345**

**Products:** Personal Computers  
**Units:** 200  
**Leasing Companies:** xxx  
**Recycling activities end date:** 01/10/2022  
**Report issued by:** xxx  
**Date of issue:** 02/10/2022

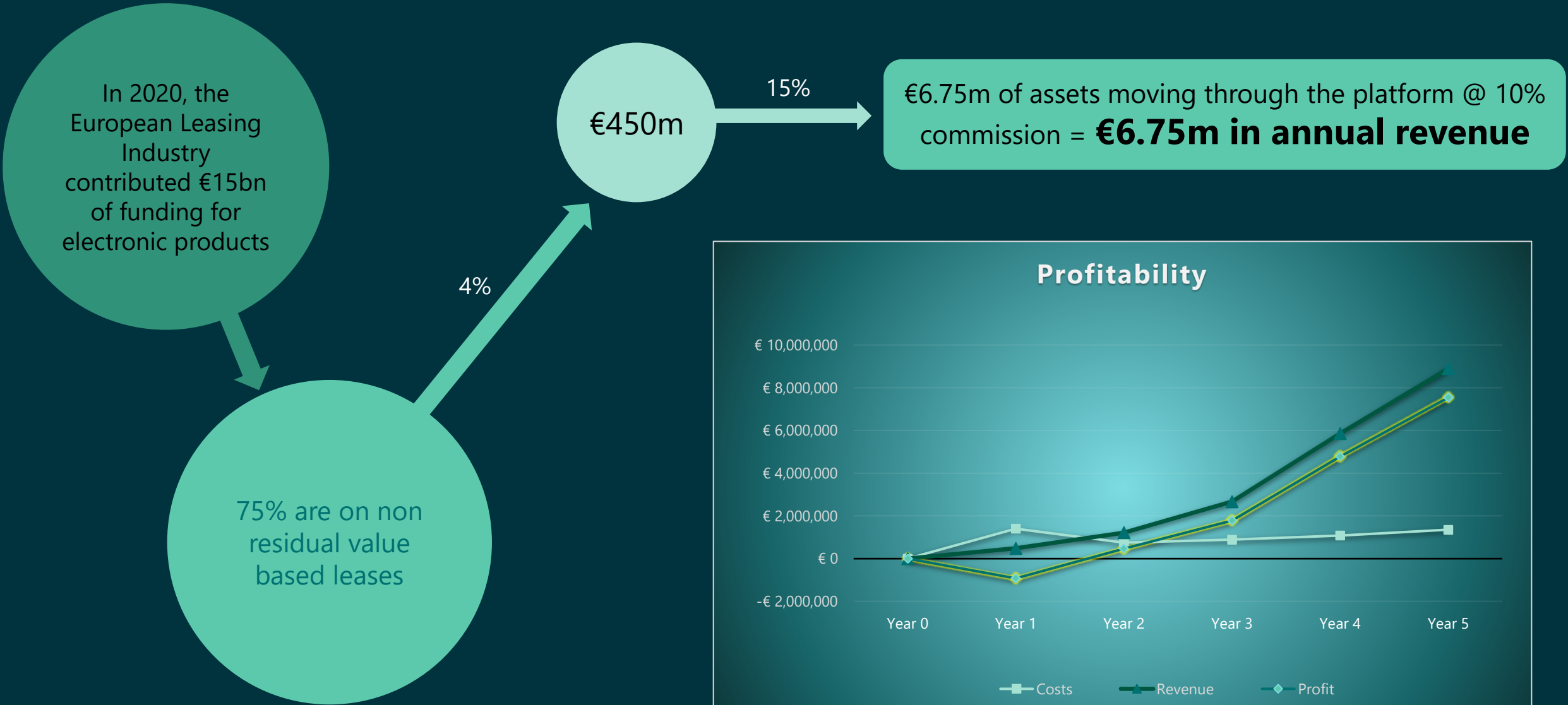


**Auct**

**Statu**  
**End D**  
**High**

**Don**

# Financial Benefits



# Creating Stakeholder Value...



## *Stakeholders*

**Recycling  
Company**  
*Direct leads via the  
platform*

**Lessors &  
Dealers**  
*Lower risk due to higher  
EOL value*

**Lessee**  
*Potential surplus profit  
at EOL*

# ... with Environmental Impact



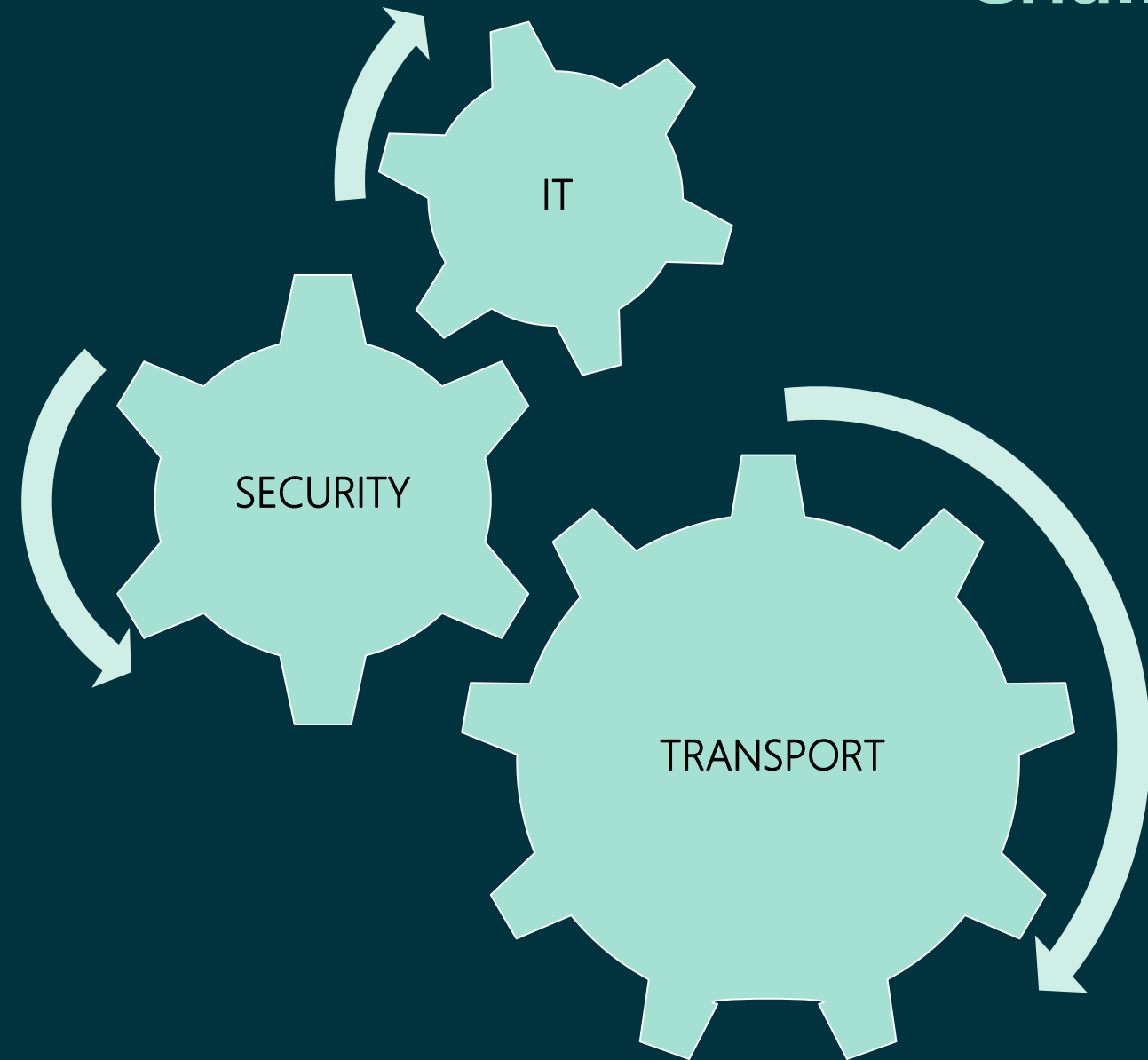
## Stakeholders



## Environment



# Challenges



**Digitalisation is key, the platform will be piloted and supported by an online 24/7 service center**



**Data provided by the customers will only be used to facilitate transactions on the platform**



**Transport is not directly included in the platform but will be serviced via integrated partnerships**

# Competitors



- >> *Pan European*
- >> *Medical Assets*

- >> *Global market*
- >> *Plastic Waste*



- >> *Global market*
- >> *Metal Recycling*

- >> *Indian market*
- >> *e-Waste*



Our platform will be the first independent **e-waste** recycling platform in **Europe**



# WeeeCycle



Thank you!

From the "WeeeCycle" group

# Q&A



**We invite you to join us on the WeeeCycle Platform!**



FUTURE GROUP 2022

# Team B

## Weecycle



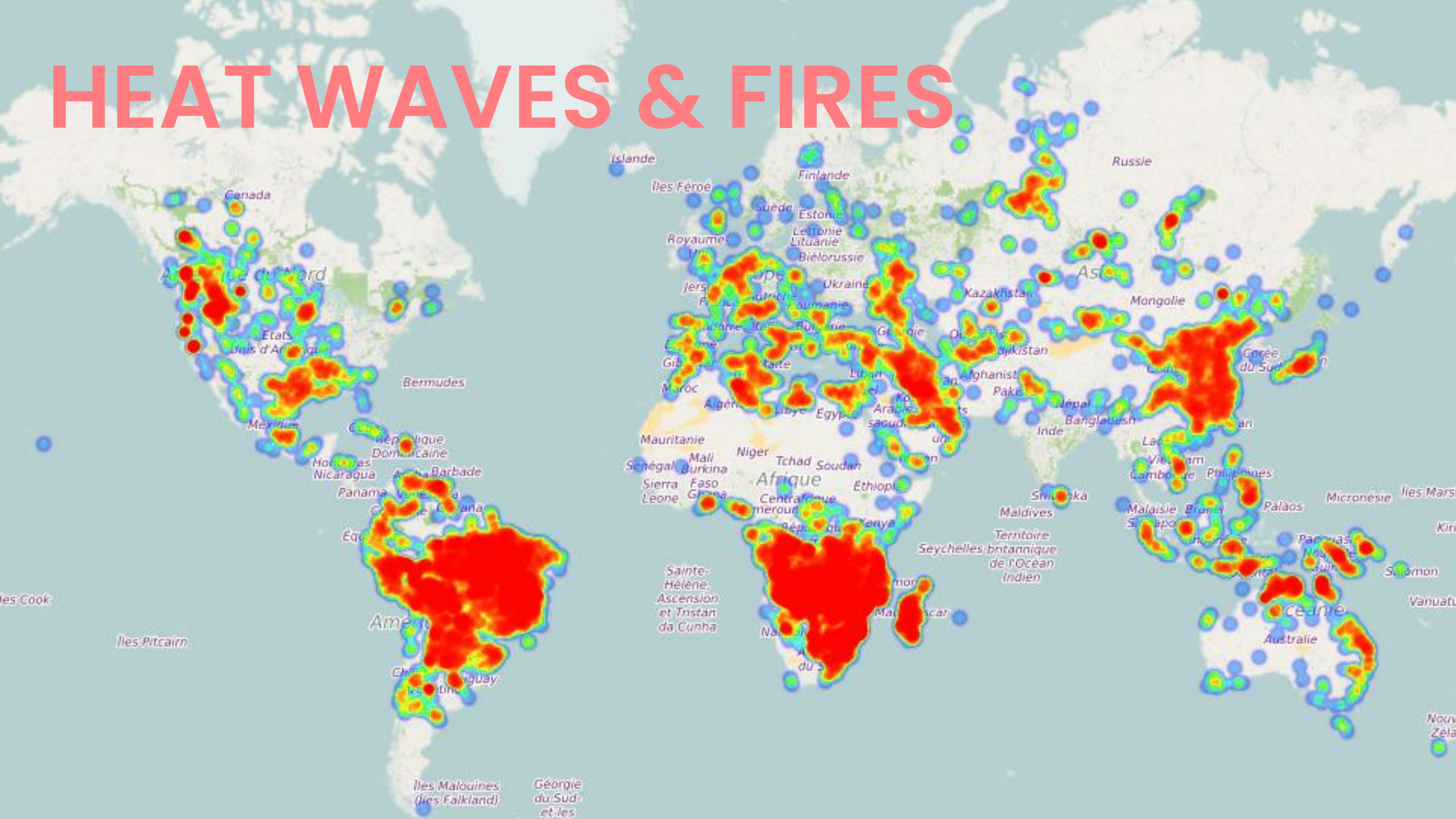


# FLOODS



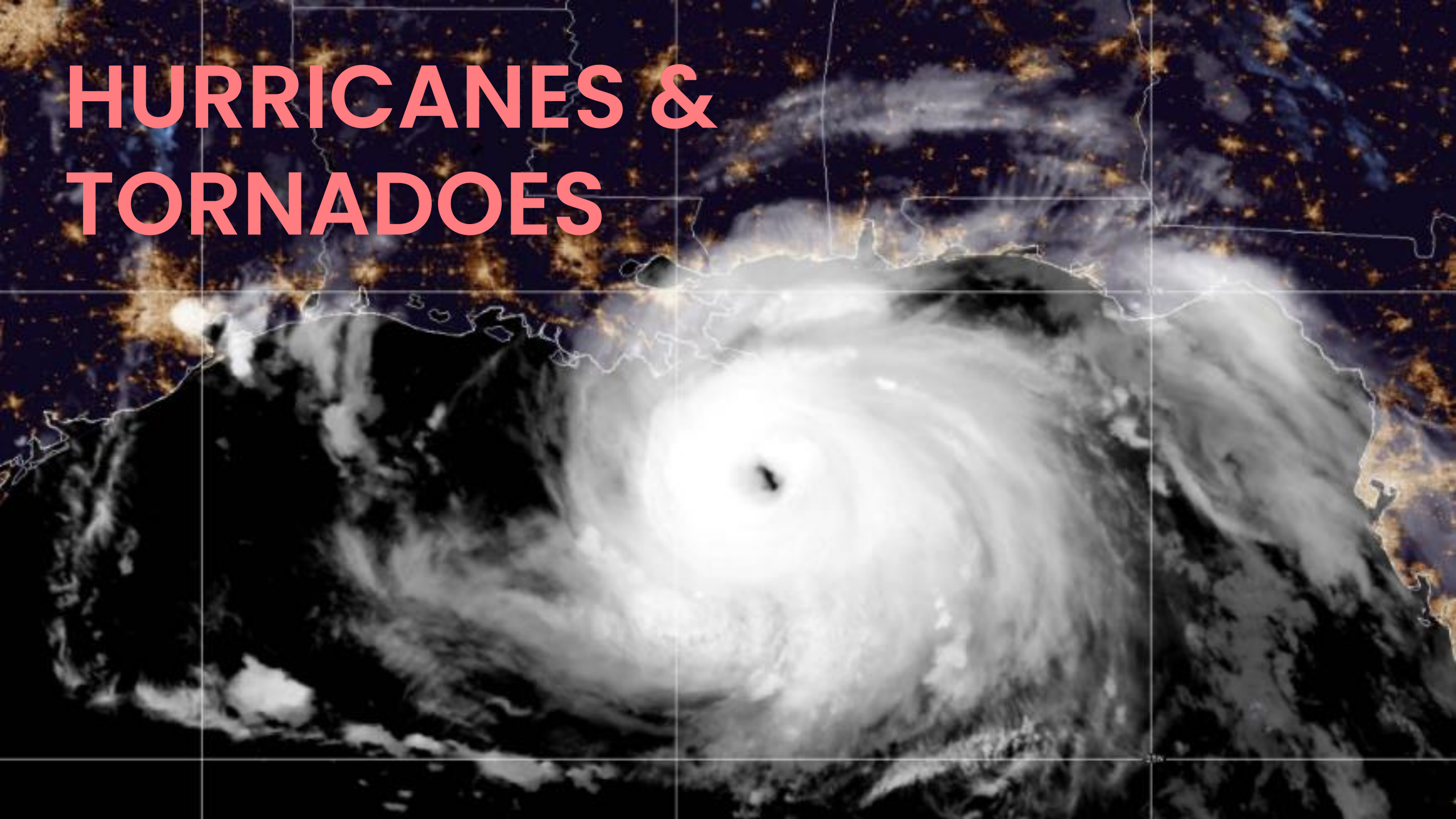


# HEAT WAVES & FIRES





# HURRICANES & TORNADOES



Transport = **25%** world  
total CO<sub>2</sub> emission

Second most impacting  
sector

Target of - **55% CO<sub>2</sub>**  
emission by 2030

EU objectives



???

And you, do you know  
**your total CO<sub>2</sub> emissions**  
for your **mobility**?





# How to calculate **Mobility CO<sub>2</sub> emission?**



Does the theoretical consumption of your fleet match with reality?

Does it match with your employees driving behaviors?

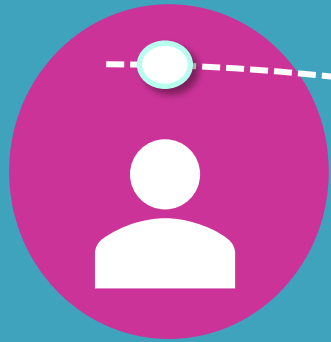
Are you aware of all the norms for vehicles ? (WLTP vs ECD)

Can you extend this CO<sub>2</sub> calculation not only to your car fleet or the fleet of your client but to the entire mobility of a client's employees?

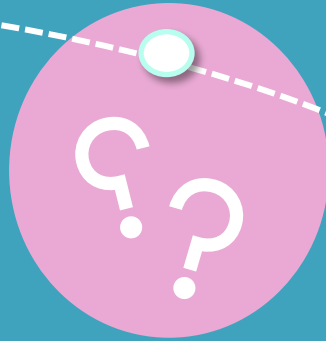
Do you know your local regulations today and their future impact?

**...So many questions to answer to & parameters to consider, to simply calculate a baseline!**

# What does the customer journey look like?



Lessor or mobility players



In need of assessing its clients' CO<sub>2</sub> emission baseline regarding mobility

- Local regulations
- Infrastructures
- Driving behaviors
- ...



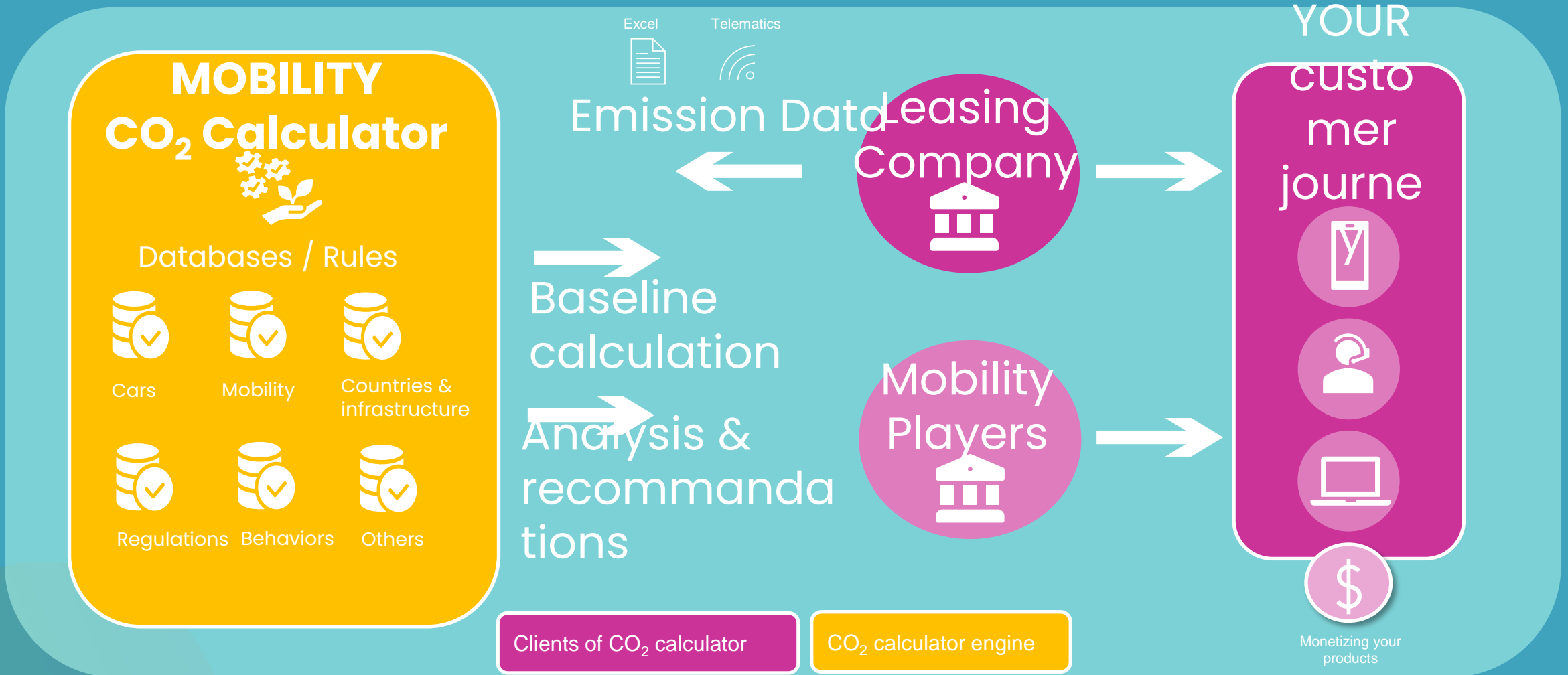
Import your mobility data of your car fleet &/or employees' mobility information

CO<sub>2</sub> calculation for a selected fleet and scope of employees' mobility



include results in **YOUR** customer journey  
Upsell & cross sell your products

# How does the CO<sub>2</sub> Calculation Engine Work?



# Benefits

## MOBILITY ACTORS



Standardized  
CO<sub>2</sub> Calculation



Competitive  
Advantage



Up Sell-Cross Sell  
Opportunities

Common Goal:



Mobility  
Transformation

## LESSEES



Transition Plan



Detailed CO<sub>2</sub>  
Analysis



Certified Results

# Monetisation



## 1 Basic package

- ✓ Subscription fee for access & manual processing data



## 2 Premium package

- ✓ Subscription fee for unlimited number of calculations per year
- ✓ Analysis on computed data
- ✓ Consultancy on transition plan



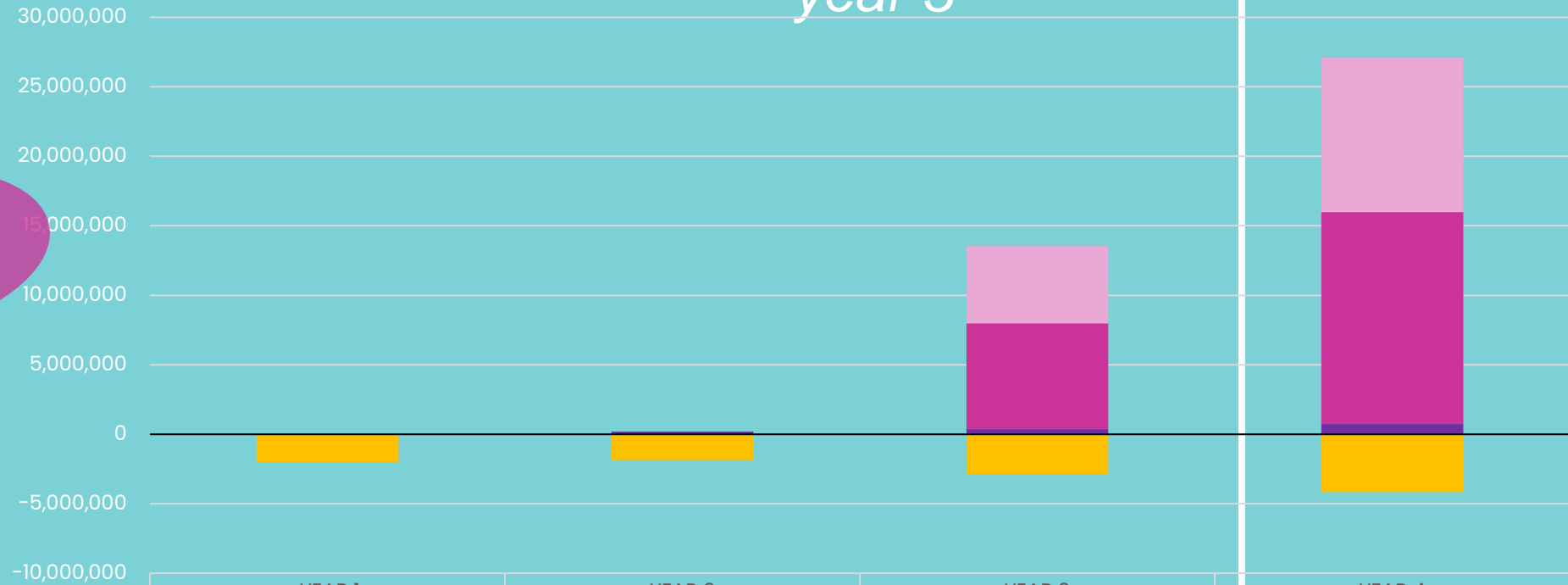
## 3 Green Certification

- ✓ Independent validation on sustainability journeys

# Monetisation

*Break - even at year 3*

10% market penetration



	YEAR 1	YEAR 2	YEAR 3	YEAR 4
TOTAL COSTS	-2,000,000	-1,850,000	-2,860,000	-4,171,000
Income - GREEN CERTIFICATION	0	0	5,561,034	11,122,067
Income - PREMIUM PACKAGE	0	0	7,621,200	15,242,400
Income - BASIC PACKAGE	0	183,570	367,140	734,280

# Competitors



Some big lessors & consultancy firm are already developing their model



Market proposed solution is to offset the emissions

BUT

- manual models
- not always access to mobility data
- no standardized model
- no certification

NOT

to reduce them



# Next Steps



Methodology	IT	Data Security	GtM
<p>Creation of Valid calculation methodology for all mobility means</p> <ul style="list-style-type: none"> <li>- Bus</li> <li>- Car</li> <li>- E-Bike</li> </ul>	<p>Building IT infrastructure</p> <p>Connecting Databases through APIs</p>	<p>Building a secure data protection system</p> <p>Validation of all kinds of mobility data</p>	<p>Building Partnerships</p> <p>Best practices</p>



# WRAP UP

1

**Standardized  
CO<sub>2</sub> Mobility  
calculation for  
mobility players**

2

**Plug & Play fully  
digital solution**

3

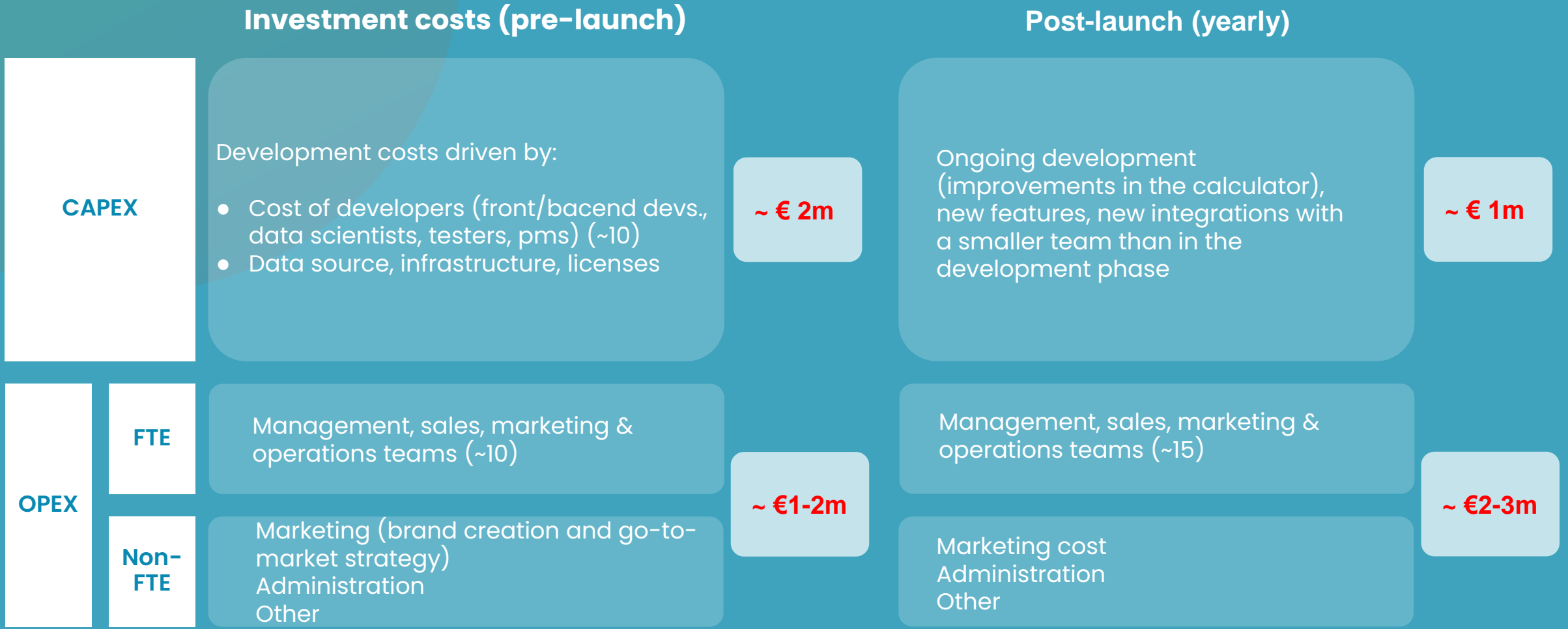
**Market &  
context  
opportunities**





# APPENDIX

# Cost structure





FUTURE GROUP 2022

## About us

Learn more about Leaseurope and our partner Invigors EMEA

---



FUTURE GROUP 2022

## About Leaseurope

---

Leaseurope brings together 44 member associations across 32 countries representing the leasing, long term and/or short term automotive rental industries. The scope of products covered by Leaseurope members' ranges from hire purchase and finance leases to operating leases of all asset categories (automotive, equipment and real estate) and also includes the short-term rental of cars, vans and trucks. It is estimated that Leaseurope represents over 90% of the European leasing market.

Visit [www.leaseurope.org](http://www.leaseurope.org)



For more information about Future Group 2023, please contact [s.vanbakel@leaseurope.org](mailto:s.vanbakel@leaseurope.org)

FUTURE GROUP 2022

## About Invigors

---

The logo for Invigors, featuring the word "INVIGORS" in a bold, blue, sans-serif font. The letters are widely spaced and centered within a white rectangular box.

THE TRUSTED ADVISORS TO THE ASSET FINANCE INDUSTRY

Invigors EMEA is the acknowledged European leader in consulting and advisory services to equipment lessors and finance companies, financial institutions, manufacturers and service providers across the region. Each of our consultants is an experienced senior-level executive from the leasing industry. We deliver insight, rapid practical impact and hands-on implementation for strategic and operational imperatives in domains including M&A, funding sources, corporate restructuring, strategic marketing, asset and lifecycle management, business transformation, technology advisory and the development of captive & vendor finance programs.

Visit <https://thealtagroup.com/invigors>

