

Office

# The Ideal Partner

Key qualities from your financing partner that will build your business

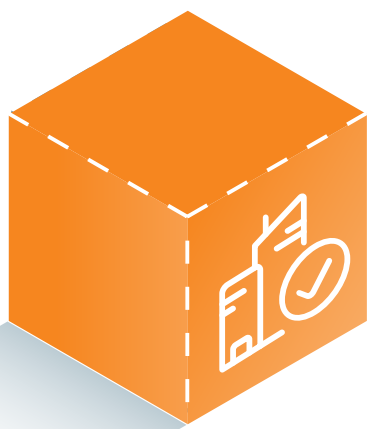
A research report from Siemens Financial Services – March 2020

[www.siemens.co.uk/vendorfinance](http://www.siemens.co.uk/vendorfinance)



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*Ingenuity for life*





*“they’re a knowledgeable team [who]... understands the industry in which we operate”*

# Digital Transformation

Digital transformation is well advanced in the world of office technology.

Nowadays, for instance, office imaging hardware not only now offers wifi connectivity and automated billing of users, but can also send data to the supplier so that predictive analytics help initiate service before the equipment has a failure. This means that office imaging suppliers are effectively now selling a near-100% uptime guarantee, all thanks to digitalisation.

There are many more examples of digitalisation in the office<sup>1</sup>. Imaging vendors are also offering connected workflow tools, virtual reality devices for digitally assisted tasks, and all sorts of other innovations. Virtual teams are linked through the Cloud so that on any day of the week they can have authorised access to office services and collaboration tools whichever business location they choose to operate from. Document imaging is now less about volume of print, and more about managing (saving) print volumes and establishing seamless links and flow between physical and digital formats.

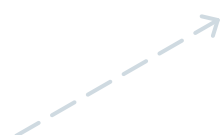
For office technology vendors, integrated finance is a key factor to enable sales. Customers want to conserve their capital, pay as they go, be tax efficient, budget reliably and upgrade easily when new technologies appear – all of which is enabled

by smart financing. Digitalisation is also enhancing the value that financing partners bring to the party for vendors. A smart finance platform helps close more business, accelerates growth and provides added-value information and insight.

An ideal financing partner will draw on a wealth of funding knowledge to offer a range of flexible solutions, each designed to support sales and enable customers to acquire the best technology solutions for their needs. Continued innovation in automation and online digital tools ensures that high-speed decisions and processes are delivered, so that more deals can be closed, faster.

This short report identifies the qualities to look for in a smart financing partner. The recommendations are drawn from our most recent research among Siemens Financial Services’ 300+ vendor partners in the UK. The research analysis highlights five qualities which an ideal financing partner should be offering to support office technology sales. It then goes on to offer six information-based insights that a smart financier should be offer, that help vendors to build business through increased turnover, enhanced profitability, improved cash flow and optimal management of the customer base.

<sup>1</sup> See, for instance: Canon, The Digital Transformation Journey, 2018; European CEO, Konica Minolta helps companies reap the benefits of digitalisation, 7 Jan 2019; Keypoint Intelligence, Xerox Unveils New Services Offerings to Enhance Clients’ Digital Transformation, 27 Mar 2019; et al.



# Qualities of an Ideal Financing Partner



## Quality #1 – Digital decisions

The financing partner's digital platform needs to be easy to work with and deliver rapid financing decisions. As our vendor partners have said, "When using the online portal, credit decisions are made quickly... and it's also easy to navigate." Others note, "The process is straightforward and simple", "The acceptance rate is high", and "it's easy to do business with."



## Quality #3 – Expertise

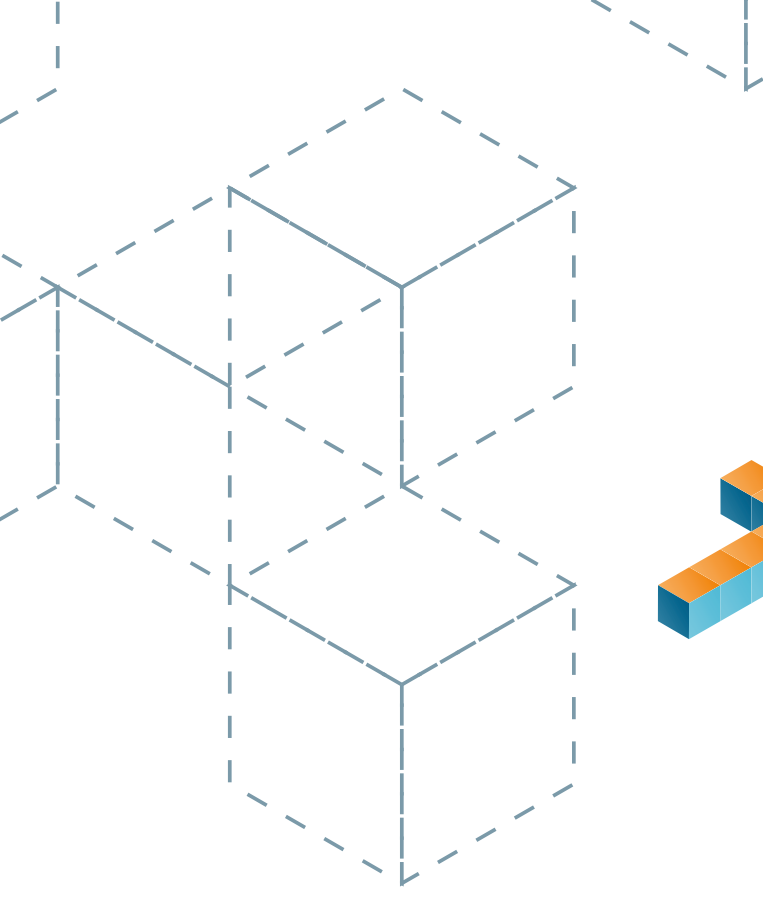
Whether dealing with queries, or offering added-value information and insights, expert financing people make the difference to business growth – people who understand the technology and the industry. Interviewees talk about "intelligent and commercially aware responses" and a "knowledgeable team [who] ... understands the industry in which we operate." Consistency of expertise is also important, with one vendor partner highlighting the value of "longevity in terms of staff members." Another respondent summarises, "Good finance helps sales...the account manager even talks to customers on our behalf."



## Quality #2 – Seamless payouts

Not only should the proposal system be quick and easy to use; the payout process has to be just as smooth. One of our vendor partners talks about "Quick, faultless payouts." Another emphasizes digital capabilities, saying that "We appreciate that [the system] accepts payouts on scanned documents."

So, even the most automated systems still need to be able to refer to human experts when things get complex or unusual. As a respondent said, "Many [financing] companies like to automate everything... but a lot of deals need to be talked about or need more information." So access to helpful financing people is critical – "An answer to a problem is only a phone call away." Attitude is also critical: "Our contacts will go the extra mile to help us."



## MySFS

The MySFS App from Siemens Financial Services is a smart, innovative point-of-sale tool for vendors. The app helps salespeople to close deals faster – often through their mobile phone – and receive seamless, on-the-go credit decisions without fuss. With four easy steps, it takes just a few minutes to generate a credit proposal through to sending key documents to the customer for an E-signature.



## Quality #4 – Market commitment

Finally, will a financing partner commit to supporting markets through both *and* more challenging economic times? No-one wants to set up a contract with a financing partner only to find they withdraw from the market (several major financiers have withdrawn from the office technology market in the last few years). As one of our interviewees says, “Over the last twenty-five years, we have had a consistently positive service.”



## SieSmart

With digital platforms such as SieSmart and e-signature from Siemens Financial Services, vendors manage proposals for more complex deals swiftly online. The platform allows you to:-

- Efficiently manage agreements
- Quickly retrieve invoices and tax certificates
- Access asset details and supplier information
- Manage balance and payments
- Access live portfolio information
- Track portfolio to trigger upgrade or renewal sales calls

*“Many [financing] companies like to automate everything... but a lot of deals need to be talked about or need more information.”*



## Integrated Financing

Some SFS vendor partners are processing very high volumes of proposals. In these cases, the SFS proposal process can be seamlessly integrated into overall company systems through powerful APIs

# Added-value Financing to Help Build Your Business

Once these qualities have been assessed, it's worth investigating what added-value insights and information the financing partner can offer (usually at regular review meetings), to provide business intelligence that really helps the vendor build their business.



## Insight #1 – How is your financing contract performing?

You've worked hard with the financing partner to hammer out the T&Cs and to establish a service level agreement (SLA). But is the business flowing through as expected? Using their smart finance platform, the financing partner should be able to give a quick answer to any queries that your procurement, finance or general management pose.



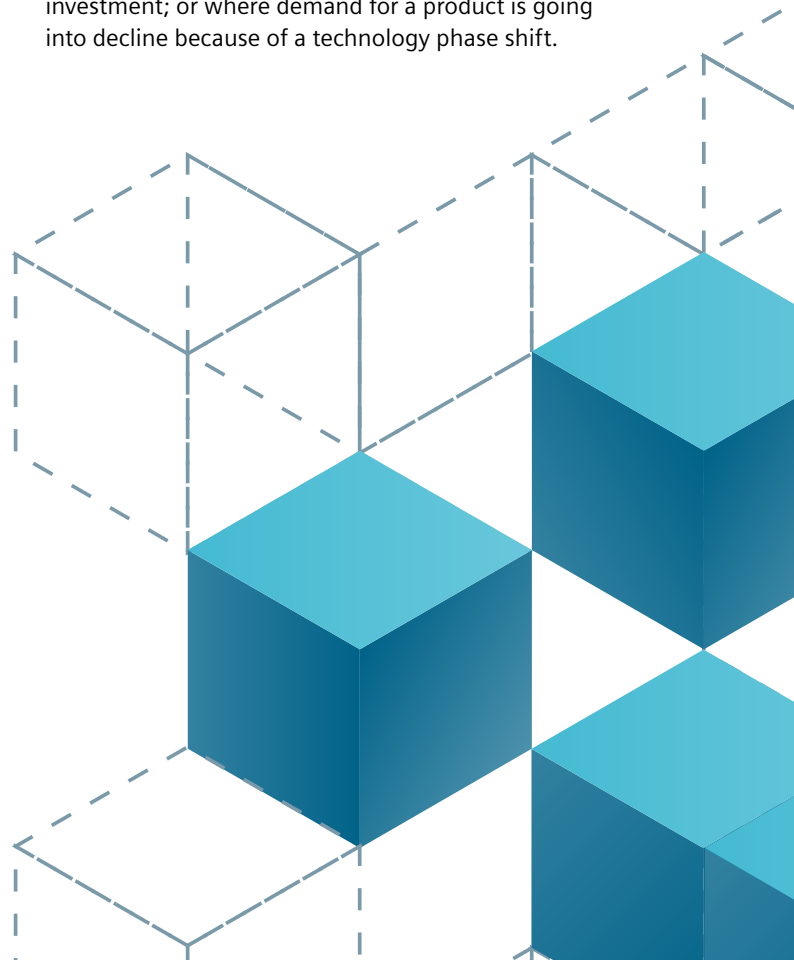
## Insight #3 – Are there any exceptions?

This is where the financing partner spots exceptional patterns – whether adverse events or short term opportunities – so you can act quickly. Financing data provides triggers to investigate why exceptions are occurring, such as: a competitor's introductory discount campaign that's eating into your sales; or an economic event that's slowing investment; or where demand for a product is going into decline because of a technology phase shift.



## Insight #2 – What's your direction of travel?

This is where the financing partner can tell you what's hot and what's not in your product portfolio – essential business intelligence. They will be able to give you a breakdown by product, by sector, by sales team, and so on. They'll help you prioritise sales effort and tell you if any segments are eroding your margins.





### Insight #4 – What should you worry about?

Here the financing partner is raising more long-term issues that may affect your business – possible future shocks. A good example would be if sales were being written with over-generous non-guaranteed residual values. Although this helps reduce the upfront cost to the end customer, if the residual values are unrealistic, this will leave the vendor with a liability further down the line. The financing partner will be able to give early warning to prevent this scenario happening.



### Insight #5 – How do you compare?

Are you behind or ahead of the competition? Where the financing partner has an extensive vendor base, they can give you extremely useful benchmarking reports. You won't be able to learn about individual competitors, but you will know the average, as well as the best- and worst-performing range. This is key to intelligent sales performance management.



### Insight #6 – What's coming over the horizon?

Your financing partner should be providing you with specialist knowledge and advice about any financing and regulatory changes that may affect your business and/or your customers. A good example is updates on legislative changes, such as the international accounting standard IFRS16, which dictates that all lease commitments are now on-balance-sheet.



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