



## Nurturing Our Independents

**T**HERE HAS BEEN A GREAT DEAL OF THOUGHT LATELY about ways to attract new people into the equipment leasing and finance industry. Many strategies have been proposed to increase its youthfulness and diversity. One of these is the Guest Lecture Program, which has been effective in introducing leasing as a realistic career option to business students. Another involves the conscious hiring of a more balanced workforce in terms of gender and ethnicity. In addition to these steps, I think that we should be paying close attention to the health of our independents and smaller companies if we are to accomplish the goal of building the future of the leasing and finance ecosystem.

### Our Changing Industry

My first exposure to leasing computers came in 1978 when I was hired by Memorex Corporation. It was a wonderful time to be in the trading and leasing business, as it was wide open and pretty much unregulated. At meetings of the Computer Dealers and Lessors Association (CDLA), I was excited to meet the founders of the companies that I admired. Complex deals and trades were done every day and there were exciting profit opportunities and interesting personalities.

Nearly 40 years later, our industry is very different. It has matured. Trading of IT equipment has pretty much become insignificant. Many of us who attended the CDLA conventions are now members of the Equipment Leasing and Finance Association. There has been a massive winnowing and reduction in the number of lessors and a great deal of M&A-driven consolidation. ELFA at times seems to be dominated by the very large banks and captives that do win the bulk of the business. Surprisingly, however, the largest number of ELFA members today are still independents.

We can learn from each other. The large captive lessors and banks understand people management, systems, efficiency, automation and regulation. They are experts at running large organizations and can teach us about workforce motivation and dealing with intergenerational and diversity issues. One of the great benefits of ELFA is that we get to meet and develop relationships with executives of these firms.

### Independent Entrepreneurs

Independents are where the entrepreneurs live. The independent sector is where the ideas, new niches and bold entries into new markets come from. Good entrepreneurs are brave, determined, aggressive, creative, diverse and intelligent. They may be ignorant about the latest securitization rules or management techniques. But they are the risk takers who will try to be the first to lease a new product or to provide liquidity for tougher credits.

Entrepreneurs fly close to their clients, exhibiting great flexibility and the will to take chances. The health of our



industry requires that we encourage new entrepreneurs who will show the rest of us how to maximize via the latest technological delivery systems, structures or assets. Most important to the subject at hand, it is the new companies that create net additional jobs. They are the ones that often hire and train new entrants into our industry. We older companies learn from the tech-savvy and the mistakes made by new enterprises. I believe that it is in our association's best interest to promote their formation. ■

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