

# A Modern, Digital Platform to Power Today's Lending Institutions

Oracle Financial Services Lending and Leasing



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# Introduction

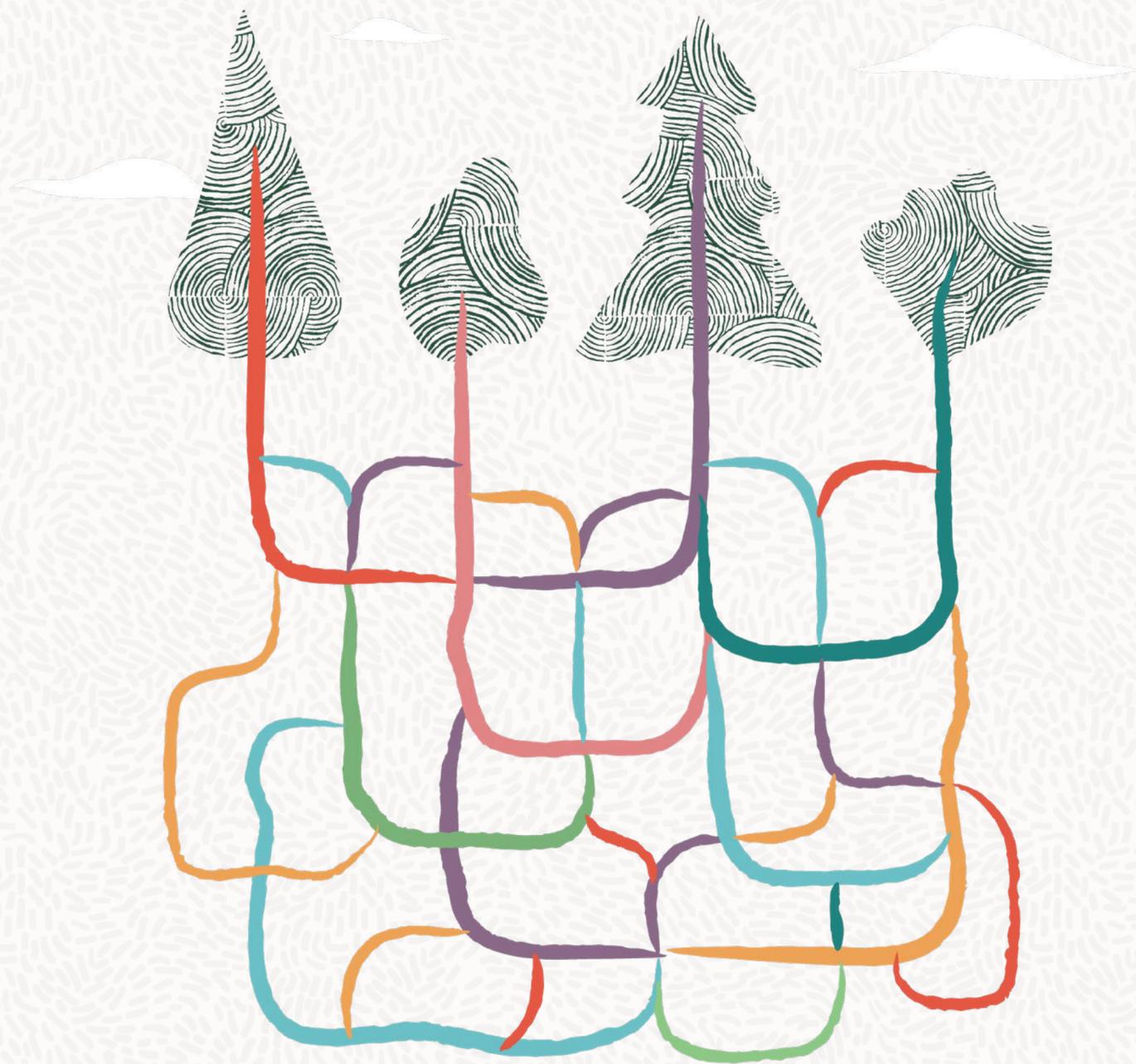
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Agility is critical in today's lending and leasing market, where options abound, and new challengers seem to emerge daily. Lenders need to move quickly, but extreme agility cannot come at the expense of compliance and security.

When selecting technology to power their business, financial institutions seek the flexibility, modern functionality, and attractive cost of ownership they need to compete. Oracle Financial Services Lending and Leasing delivers with an easy-to-deploy-and-use solution that is purpose-built for the financial industry and provides world-class security.

Across diverse sectors of lending and leasing—Vehicle Finance, Equipment Finance, Device Financing,

Subprime Finance, Consumer Finance, and Vacation Ownership/Timeshare Finance—there are distinct requirements. Regardless, each market demands robust and flexible solutions with an increasing need for delivery in the cloud. As business models continue to change rapidly and the move to subscription services gathers momentum, markets inevitably become more competitive. Financial institutions must be able to adapt new technology to offer more flexible finance options, create new revenue streams, increase profits, and deliver better customer service.



# The Oracle Approach

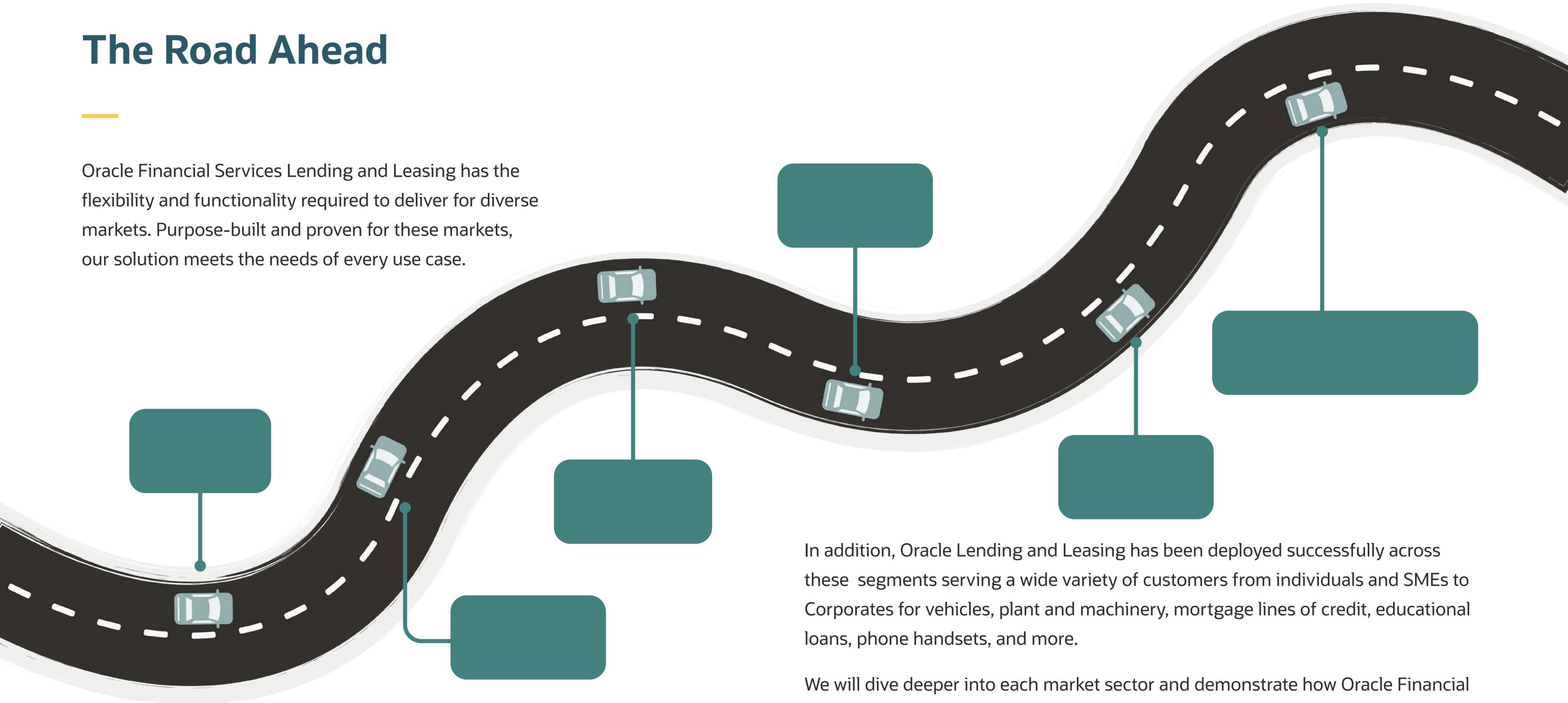
Oracle Financial Services Lending and Leasing is a comprehensive, purpose-built solution that provides a modern, enterprise-wide platform to support the entire lending and leasing process.

This solution delivers seamless, end-to-end digital capabilities, from origination to servicing through collections and asset management. It offers flexible deployment options on-premises or in the cloud. Its open architecture can integrate with any compatible system, application or device—with added value when coupled with Oracle’s Internet of Things Intelligent Applications Cloud and advanced analytics to give a whole range of new real-time insights into your customers and the asset finance market.

Simply stated this solution improves the customer experience with a modern digital platform; enables flexibility that drives business growth; and increases productivity with automated processes and transactions.

# The Road Ahead

Oracle Financial Services Lending and Leasing has the flexibility and functionality required to deliver for diverse markets. Purpose-built and proven for these markets, our solution meets the needs of every use case.



In addition, Oracle Lending and Leasing has been deployed successfully across these segments serving a wide variety of customers from individuals and SMEs to Corporates for vehicles, plant and machinery, mortgage lines of credit, educational loans, phone handsets, and more.

We will dive deeper into each market sector and demonstrate how Oracle Financial Services Lending and Leasing can help organizations transform their financing to improve the customer experience, ensure compliance, and boost profitability.

Focus On:

## Vehicle Finance

### *Challenges and Opportunities*

The vehicle finance industry is facing a critical crossroads. Consumers are demanding hassle-free, smooth, high-quality, and personalized service. They seek digital capabilities, 24/7 service, and more flexible products, terms, and options. Automotive finance organizations must deliver value while managing costs.

Non-traditional Fintech startups are entering the scene—and are eager to deliver on customers changing demands. To compete, vehicle finance organizations must leverage solutions that

allow them to lead with their strengths to deliver exceptional value, reduce costs, and enable a modern and frictionless customer experience.

With the goal of providing a superior experience for the customer, the dealer and the auto lender, automotive finance organizations must:

- | Leverage end-to-end capabilities on a modern digital platform
- | Enable flexibility that drives business growth
- | Increase productivity through automation

Focus On:

## Vehicle Finance

### *How Does Oracle Deliver?*

Oracle Financial Services Lending and Leasing empowers vehicle finance companies to compete in today's rapidly changing landscape. For example, finance organizations have the flexibility to adapt products to an increasingly subscription-based economy, where consumers may prefer access over ownership. In addition, its ability to support internet-of-things (IoT) functionality improves asset management with real-time data on miles driven, vehicle condition and

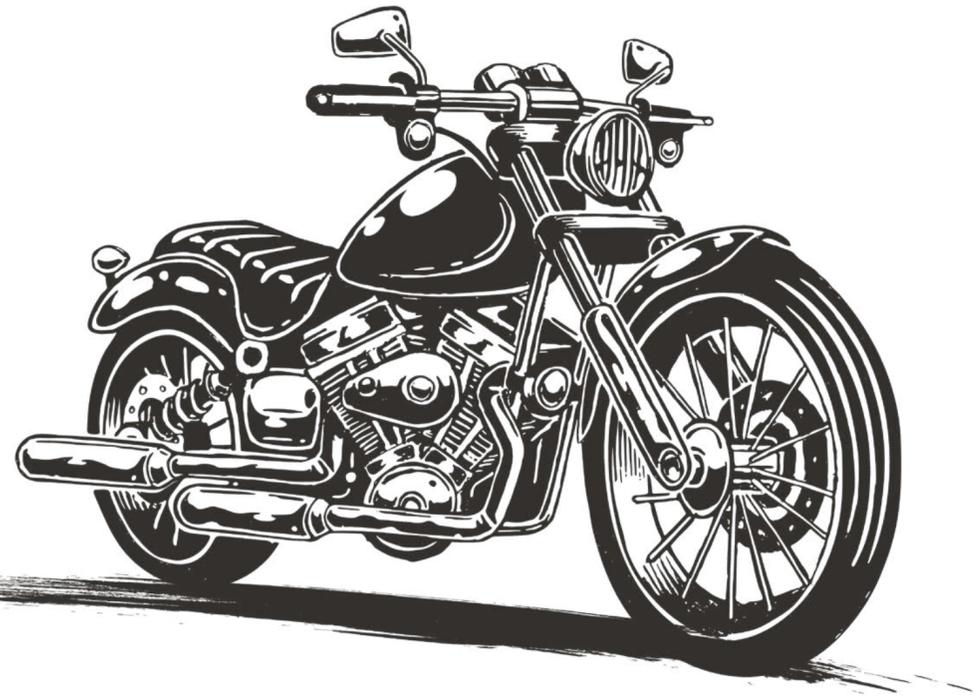
location, maintenance requirements, and more. Furthermore, the solution delivers powerful self-service capabilities via multiple channels, whether to support processes as simple as address changes or more complex functions, such as changing payment schedules or activating self-healing collections programs. These capabilities are a win for the customer, dealer, and lender: delivering a modern customer experience, boosting efficiency, and reducing risk.

Focus On:

## Vehicle Finance

### Use Case

An American motorcycle manufacturer sought to improve customer service and dealer relationships, while reducing costs throughout its servicing and collection operations. It needed to modernize—and move away from a highly customized legacy system. It selected and deployed Oracle Financial Services Lending and Leasing for a real-time, integrated, end-to-end solution for the complete lending lifecycle.



Focus On:

## Vehicle Finance

### *The results?*



Elevated operational efficiency and improved customer retentions



Enhanced reporting to analyze various securitization portfolios



Reduced manual transaction processing—offering simpler and more intuitive self-service capabilities



Strengthened ability to identify high-risk customers with near real-time workflow



Improved receivable management activities and streamlined repossession processes—reducing delinquencies

Focus On:

## Equipment Finance

### *Challenges and Opportunities*

Customers cash flow needs are increasingly demanding—and flexible financing options bundled with consumables and services are expected. Manufacturers and their capital partners are seeking to build stronger customer relationships while positioning greater up-sell opportunities.

Equipment financiers are often burdened by a rigid and incomplete IT infrastructure that has been pieced together using a complex web of niche software applications or customizations. These constraints prevent the agility and

flexibility needed to surpass their competition and boost revenue growth.

Lenders must be able to create and support new financial products and provide attractive and flexible finance options that make it easier for their customers, dealers, and vendors to acquire new and used equipment.

This requires a solution that enables organizations to share common information, predict and adapt quickly to market opportunities, and power faster, better informed, and more consistent decisions.

Focus On:

## Equipment Finance

### *How Does Oracle Deliver?*

Lenders offering flexible financing options through leases, loans, or revolving credit, automatically establish a stronger relationship over a longer horizon. To build a stronger relationship, lenders must quickly respond to customers as circumstances change. Oracle Financial Services Lending and Leasing provides lenders with a 360-degree view of their customers to arm their customer-facing teams with asset, account, contract, receivables, and payables information so those teams can quickly provide customers with informative and

accurate data. Customers can also review their own asset information, view invoices, request termination quotes, update bill-to sites, make payments, and more. Fast and easy contact with customers increases up-sell opportunities for products, services, and consumables—and because all processes can be workflow driven, lenders have ultimate control to automatically enforce contract and business rules when processing upgrades, swaps, or exchanges.

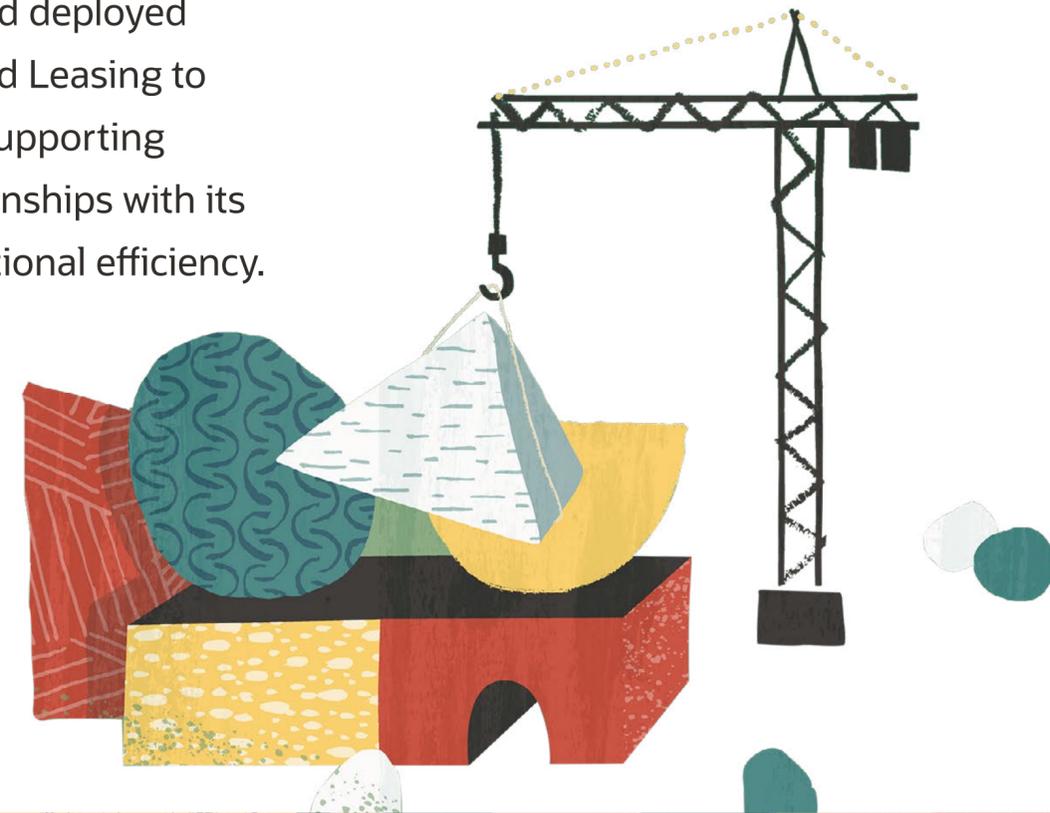
Focus On:

## Equipment Finance

### Use Case

The captive finance company for a U.S. based agriculture, utility and construction equipment firm was operating on a highly customized legacy finance system—and it needed to modernize. The organization more than tripled its portfolio size since 2009—and required a system that was more scalable. It was seeking to manage all financial products on a single system, improve customer relationships, and deliver new programs to drive sales—all while reducing costs and ensuring

regulatory compliance. It selected and deployed Oracle Financial Services Lending and Leasing to offer both loan and lease products, supporting aggressive growth, enhancing relationships with its 1000+ dealers, and improving operational efficiency.



Focus On:

## Equipment Finance

*The results?*



**Reduced manual transaction processing with automation**



**Streamlined customer self-service capabilities and debit card processing**



**Improved customer satisfaction**



**Increased operating efficiencies**

Focus On:

## Device Financing

### *Challenges and Opportunities*

The device financing market continues to expand—and in particular, mobile telecom operators are seeking alternatives to portfolio-level subsidizing and self-funding of handsets. As the 5G rollout is also bringing significant changes and challenges for both consumers and telecommunication operators alike—the focus is naturally on increasing adoption of financing alternatives in this market.

There is no longer a need to tie-up capital in the traditional way. There are viable and proven financing alternatives that can protect and even enhance margins, as well as release capital for

more pressing business priorities. These alternatives remove the burden of handset subsidies from operators' balance sheets. They offer service subscribers greater affordability while giving customers more flexible contracts and access to cutting-edge smartphones, encouraging regular upgrading and higher usage and spending patterns.

Modern, flexible solutions equip operators with unparalleled flexibility to leverage extensive enterprise-wide data to deliver the right product offerings and financing options for their customers.

Focus On:

## Device Financing

### *How Does Oracle Deliver?*

Oracle Financial Services Lending and Leasing helps telecom operators, national retailers, and handset lenders provide a modern digital shopping cart experience to customers for device financing. Comprehensive and highly configurable, it delivers end-to-end capabilities—from origination to servicing through collections and asset management. It provides unparalleled flexibility

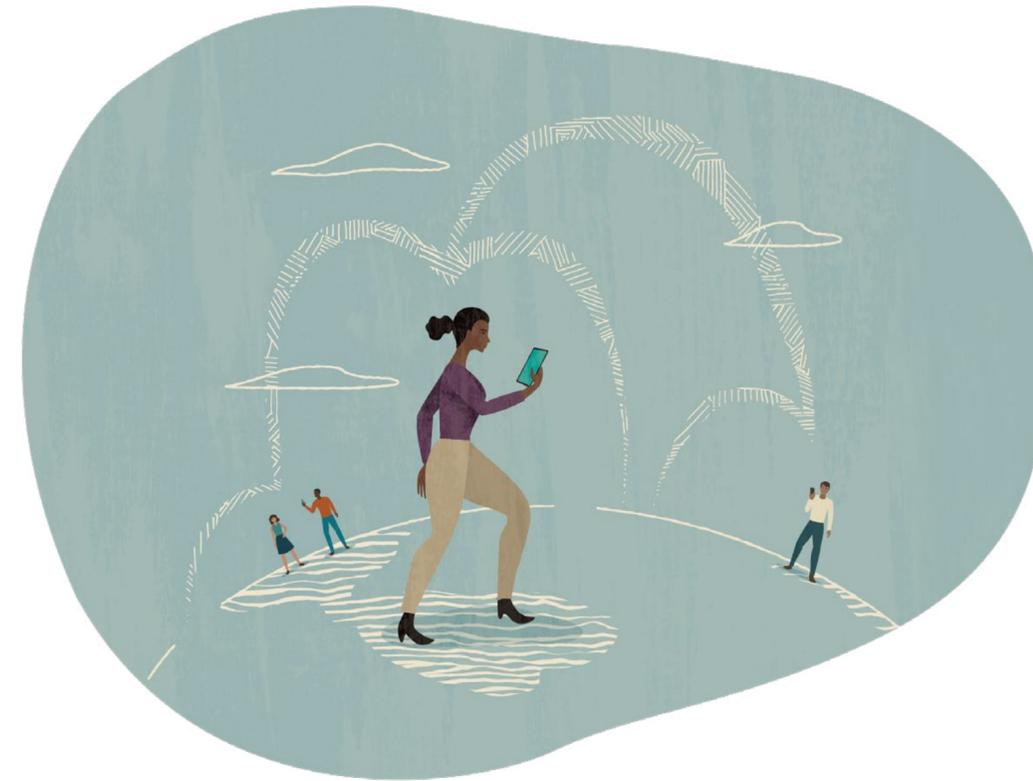
and gives organizations the ability to leverage enterprise-wide data to deliver the right product offerings and financing options. The solution also enables seamless integration with point-of-sale solutions, billing systems, and product catalogs.

Focus On:

## Device Financing

### Use Case

America's largest 5G network provider sought full-scale modernization—and it required proven technology and solutions. It needed to transform its Core System of Record from an in-house system to a modern cloud based system that supports device financing, offers unique products, and enhances revenue. It selected and deployed Oracle Financial Services Lending and Leasing for its modernization journey.



Focus On:

## Device Financing

### The results?



Demonstrated highest levels of availability and scalability



Operated in 7000+ stores across US and Puerto Rico



Serviced 37 million accounts



Originated \$2-\$5 million new loans/leases each day

Focus On:

## Subprime Finance

### *Challenges and Opportunities*

The subprime finance industry faces complex compliance and regulations challenges. Lenders must adhere to strict and ever-evolving tracking and reporting standards which often vary by states. When collecting on a loan, lenders often navigate various hurdles—what method of contact is authorized? When can a lender make contact? Where is contact via telephone prohibited? Lenders must balance these complex requirements

with changing customer demands around efficiency and digital, self-service solutions.

Lenders also require seamless integration with vendors they rely on for collections. Information from collections agencies and door-knockers, for example, must feed directly into the system, enabling lenders to see a complete picture of a customer's account.

Focus On:

## Subprime Finance

### *How Does Oracle Deliver?*

Oracle Financial Services Lending and Leasing provides comprehensive functionality to support specialized collection-related activities, including tracking all occurrences and related histories associated with bankruptcies, repossessions,

and deficiency (recovery) management. The solution also supports self-healing collections capabilities that improve outcomes, reduce risk, and strengthen customer relationships.

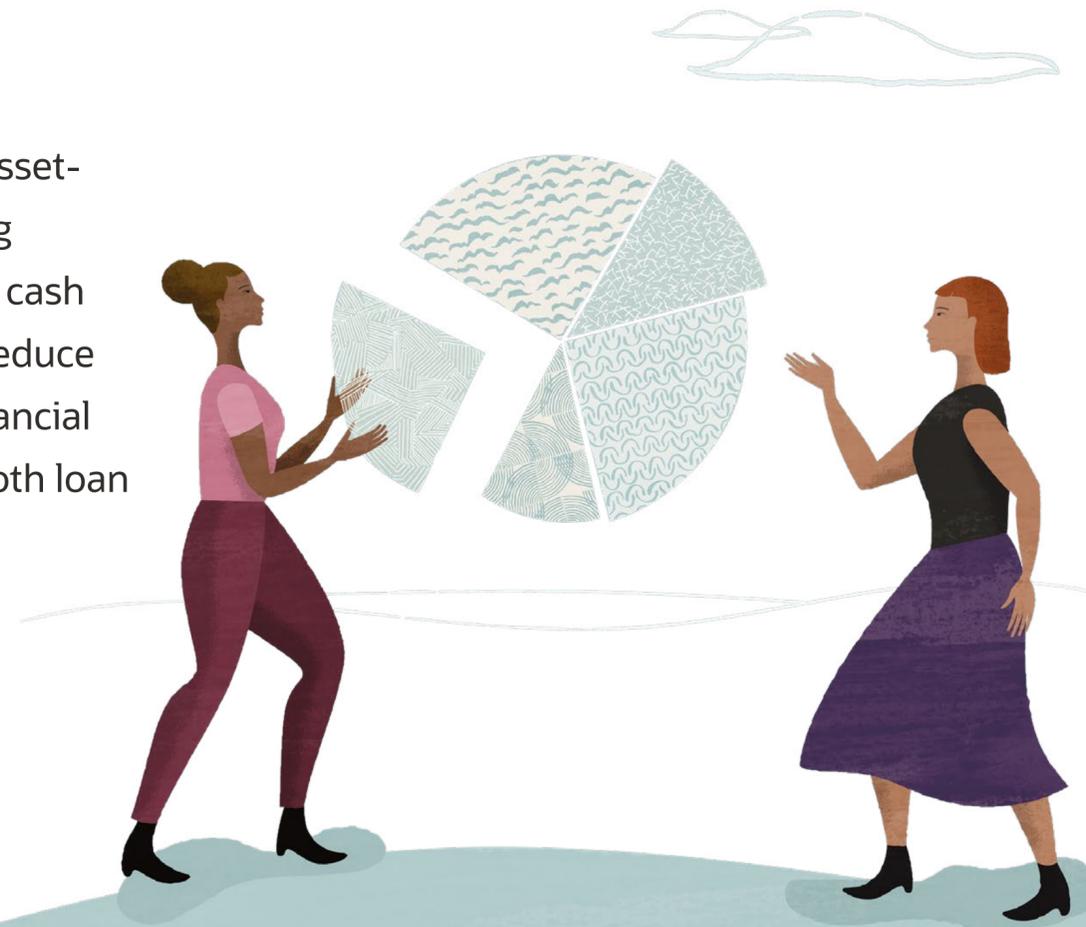
Focus On:

## Subprime Finance

### Use Case

Specializing in the acquisition and servicing of vehicle finance options—the largest privately held finance company in the U.S.—has a portfolio of over \$8 billion in originated auto loans and leases, direct-to-consumer loans, and portfolio purchases. It needed a solution to track and report specific

financial information for more than 20 asset-backed securitization portfolios, allowing proper investor reconciliation, improved cash management and expanded insight to reduce risk. It selected and deployed Oracle Financial Services Lending and Leasing to offer both loan and lease products.



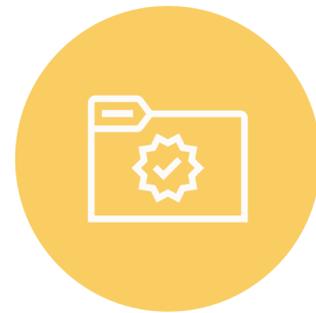
Focus On:

## Subprime Finance

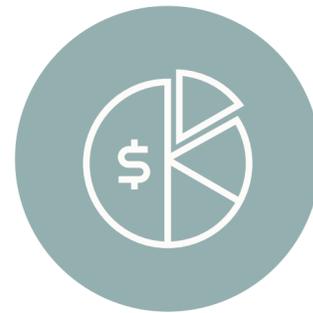
*The results?*



**Experienced constant  
30% annual growth**



**Streamlined processes  
and workflows**



**Reduced costs**



**Ensured state and federal  
regulatory compliance  
throughout its servicing  
and collection operations**

Focus On:

## Consumer Finance

### *Challenges and Opportunities*

For any ‘buy now, pay later’ experience, lenders and customers alike are seeking a quick, seamless decision regardless of the channel. However, financing for consumer goods and services carries the potential for disputes. Often, these purchases are not on the forefront of consumers’ minds—and the collection process presents challenges.

Lenders seek ways to streamline the collection and transmission of customer information while making the experience easier for the customer through self-service integration. An integrated solution streamlines the process—from application to rules to decisioning—quickly and efficiently, no matter the channel.

Focus On:

## Consumer Finance

### *How Does Oracle Deliver?*

Oracle Financial Services Lending and Leasing delivers powerful self-service capabilities via multiple channels, whether to support processes as simple as address changes or more complex functions, such as changing payment schedules or activating self-healing collections programs.

These capabilities are a win for the customer and lender—delivering a modern customer experience, boosting efficiency, and reducing risk.

Focus On:

## Consumer Finance

### Use Case

An unsecured asset finance provider was looking to transform the digital channel—and needed a configurable and integrated end-to-end loan system. They sought an efficient decision engine that powered automated,

accurate, and reliable servicing and accounting to provide efficient collection, revenue recognition, and portfolio analysis. For this transformation, it selected and deployed Oracle Financial Services Lending and Leasing.

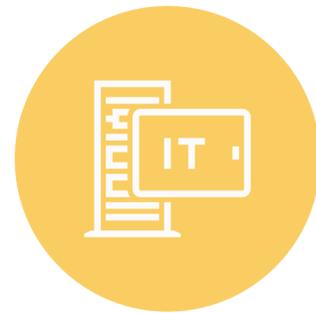
Focus On:

## Consumer Finance

*The results?*



**Increased capability to offer other consumer products to customers**



**Reduced IT complexity and management costs associated with maintaining multiple platforms**



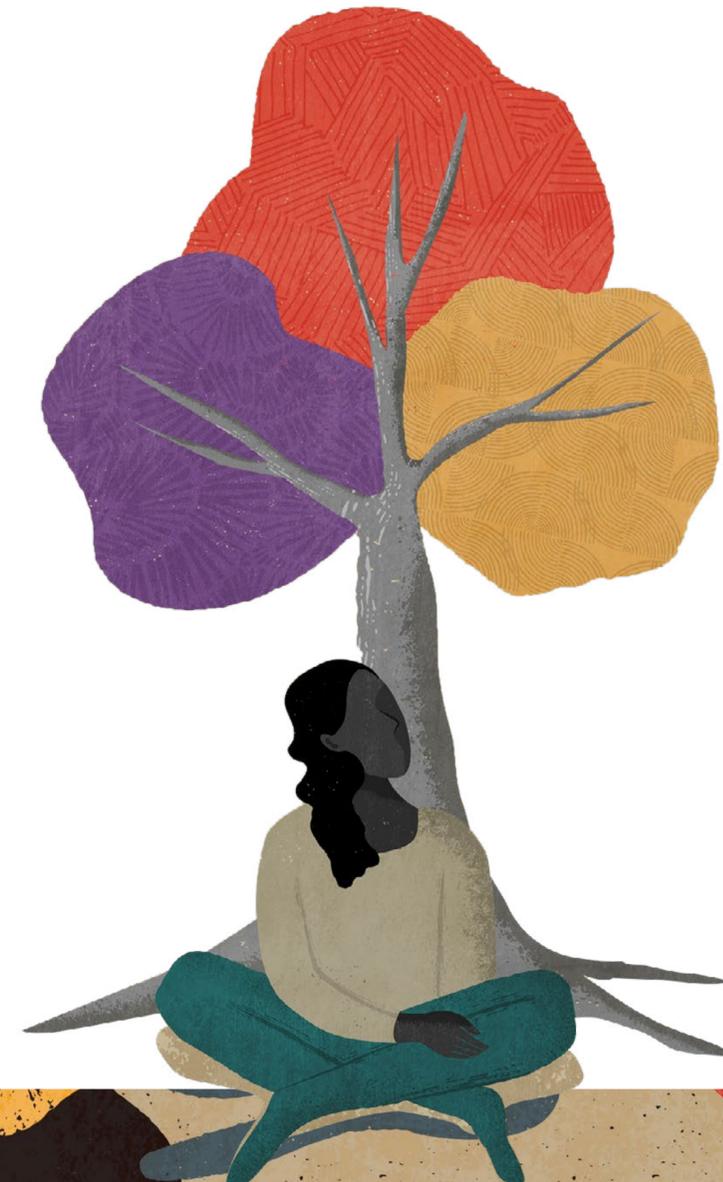
**Improved process and data integration across origination, servicing and collections functions**

Focus On:

## Vacation Ownership / Timeshare Finance

### *Challenges and Opportunities*

The vacation ownership finance market is complex—with changing promotions, varying billing frequencies, and multiple fees, lenders require agility and efficiency. Owners experience is a top priority—and a complete, 360-degree view of each portfolio is critical to customer satisfaction and operational efficiency. With a myriad of variables—annual expenses, monthly expenses, multiple brands—a consolidated view of each owner is critical.



Focus On:

## Vacation Ownership / Timeshare Finance

### *How Does Oracle Deliver?*

With Oracle Financial Services Lending and Leasing's Servicing module, lenders can manage all owner information in a centralized location to assure data integrity and simplify customer service and management processes. A unified customer

record with a common relationship view across all financial products empowers the lender to provide better customer service, quickly resolve queries, and improve productivity.

Focus On:

## Vacation Ownership / Timeshare Finance

### Use Case

The largest timeshare lender in the world supported the financing of various brands and aimed to improve operational efficiency for its owners with multiple mortgages, maintenance, and homeowner association accounts. Simultaneously, it needed to manage securitization portfolios while enhancing customer self-service and reducing delinquencies.

A transformation of an inflexible, high-cost internally built system was key to improving customer service across all brands while reducing

operational costs throughout its servicing and collection departments.

The company needed a configurable, real-time solution with integrations to many internal systems, including the reservation and inventory systems—and it selected and deployed Oracle Financial Services Lending and Leasing. The servicing and collections modules support greater operation efficiencies, enhance customer retentions, and offer better reporting for revenue recognition and portfolio analysis.

Focus On:

## Vacation Ownership / Timeshare Finance

*The results?*



**Reduced manual  
transaction processing**



**Increased efficiencies through  
self-service capabilities and  
credit/debit card processing**



**Boosted customer  
service experience**



**Improved near real-time  
workflow for improved receivable  
management activities to identify  
high-risk customers**

# To Boost Agility, Look to the Cloud

When selecting technology to power their business, lending and leasing institutions increasingly look to the cloud for the flexibility, modern functionality, and attractive cost of ownership they need to compete. Oracle Financial Services Lending and Leasing Cloud Service delivers an easy-to-deploy-and-use solution that is purpose built and delivers on Oracle's commitment to world-class security.

Lending institutions can move faster on cloud when deploying new technology and new product offerings, while meeting complex and dynamic regulatory and

compliance requirements. They can rapidly scale their IT and business operations proportionate to their business growth and pay only for what they use. Traditional on-premises systems by contrast are comparatively expensive to acquire and maintain and not agile enough to handle the ever-changing demands of today's dynamic business. Oracle Financial Services Lending and Leasing Cloud Service can turn lending and leasing systems from barrier to progress into your business' innovation engine.



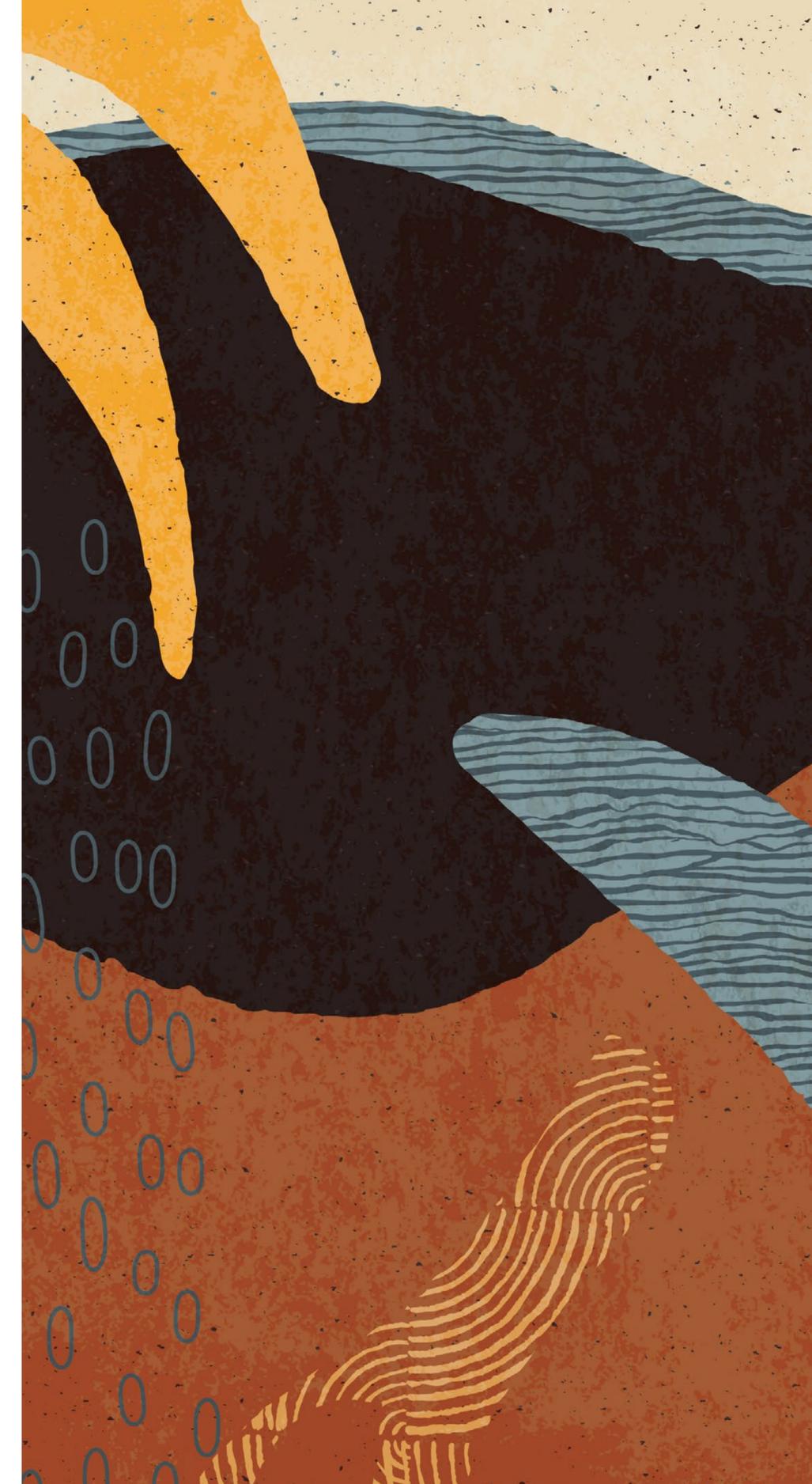
# Conclusion

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To drive business growth amid an increasingly competitive environment, the lending and leasing market must embrace modern solutions. Customers are seeking digital-forward solutions—and lenders must respond with agility and flexibility. Across markets, modern solutions enable lenders to improve the customer experience, ensure compliance, and boost profitability.

Even the most creative and innovative businesses / financial institutions can find themselves held back by

legacy lending and leasing systems that lack inherent flexibility, open architecture or the ability to grow and evolve to leverage the latest technological advances. Oracle Financial Services Lending and Leasing breaks these barriers and delivers a modern, enterprise-wide platform that supports the entire lending and leasing process across various markets.





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