

# The Advantage

SuperTRUMP... Bringing You the Advantage in the Leasing Industry.



## SuperTRUMP City

Maintaining the quality of SuperTRUMP is like ensuring the quality of life for visitors to a city. The parallels to a real city are striking and thought-provoking. Like a real city,

the infrastructure is elaborate and complex. And, like curious tourists in a resort, visitors to SuperTRUMP City do varied and unexpected things, perhaps because they are looking for a

change in their routines or are trying to learn more about what's there. Yet, quality control means making sure that all our visitors have pleasant, safe visits, free of annoyances.

The outside appearance of our city is the user interface - the screens and windows that users work with. Of course quality is an important issue for these features; the street signs should be legible, the buildings painted, and the traffic signals operating. The inside workings of our buildings represent the calculating engine - visitors depend on it, even when they can't see it.

These are things like elevator safety, water purity, and fire protection systems.



The main attractions, like the Quick screen, Rent screen, Asset screen, or Loan screen are visited often. We work hard to keep these areas neat and orderly, free of hazards. But sometimes old buildings are torn down to make way for new ones; program features



are changed. During construction, we might have an area roped-off to keep visitors away, in a "beta" version of the program. When construction is finished we'll re-open the area to the public.



Of course, on the outskirts of town, developers (programmers) are regularly expanding and improving the city by putting up new subdivisions and building parks (adding features). We keep track of all developments and make sure they are reliable and accessible to visitors.

Where needed, warning signs are put up to help people stay safe; if a visitor tries to use the Alternative Minimum Tax when the AMT period isn't set correctly, they will get a warning. The problem is the unlimited number of potential hazards. We can't inspect every imaginable spot, so we use a combination of strategies.



**Continued Page 3**

## Letter from the Editor

We are truly grateful for your phenomenal support and feedback, (especially those who had nice things to say). Because of all the positive responses, our boss says we have to keep sending this out. So, thanks, I guess.

This is a forum for you (although we're getting a kick out of writing it)... so we want to hear what you'd like to read about. Don't get me wrong, we really appreciate the compliments and fan mail, so please keep those coming. We're just all very curious to know

what goes on in those minds of yours. Do you want more tech tips? Would you prefer crossword puzzles? How can we make this newsletter and SuperTRUMP work for you?

We'll be here, in Walnut Creek (not Bermuda - in case you were wondering), waiting with bated breath for your correspondence. I mean, it's not like we have anything better to do...

Lisa M. Lohrey

### INSIDE THIS ISSUE

SuperTrump City	1
Editor's Letter	1
Basic Tech Tip	2
This Month in History	2
SuperTRUMP Certification	2
Advanced Tech Tip	3
A Day in the Life	3
SuperTRUMP Release 7.82	4
Profiling the Staff	4
Newsletter Details	4

### EXTRA! EXTRA!

**SuperTRUMP**  
v7.82  
**Upgrade Now Available!**

(Please refer to the article on page 4 for more details)

### FEATURE ARTICLES

- ★ *SuperTRUMP's city-like quality control measures*
- ★ *Using On-Line Help to find definitions*
- ★ *Creating a Residual Value Schedule*
- ★ *SuperTRUMP Certification and Training Seminar*



# Basic Tech Tip

## Answers to Frequently Asked Questions

**Q: How do I find out the difference between Effective Cost and Implicit Cost? (Or the definitions of other equally perplexing leasing jargon?)**

**A:** Hmm... I used to know that... Use ON-LINE HELP to find out the definitions of terms used in SuperTRUMP. One way to do it is to choose Help from the Toolbar, drag down to Contents, and then hit the "Index" tab. In the first box type "Effective."



Above: The Help Topics - Index screen.

In box 2, double-clicking on "Effective Cost" displays the following definition: **Effective Cost** The rate that discounts the interim and base rents to the equipment cost at delivery date.

Now, do it again from the top, but type "Implicit" this time. Double-click on "Implicit Cost" to see:

**Implicit Cost** The rate which discounts the base rents to the equipment cost at the rent commencement date.

Another way to find definitions is to push the Help button on the bottom right of the Quick Screen. This will pop up context-sensitive help. Hit the Index tab, type in the word you're looking for and hit the Display button to get your definition (there are Help buttons on all commonly used screens).

A quick, yet less effective method to get help would be to shout "HELP" at the top of your lungs. We only recommend using this method after all other avenues have been explored.

## THIS MONTH IN HISTORY

**2865 BC** Under Pharaoh Ramses XIII, the MACRS term for the Pyramids and the Sphinx is fixed at 2,500 years, setting tax-based real-estate leasing back several millennia.

**38 AD** Paul of Tarsus is unable to obtain equipment financing to expand his tent making business, forcing him into a career as an itinerant preacher.

**1493 AD** Due to a documentation error, Christopher Columbus ends up on the lessor side of a sale/lease-back agreement for all of North and South America.

**1805 AD** Following the Battle of the Nile, Napoleon insists on paying cash to refurbish his fleet, while Nelson uses a creative off-balance sheet structure. The Battle of Trafalgar establishes operating leasing as a winning strategy.

And the rest, as they say, is history...

## SuperTRUMP Certification

September 2000 Training Seminars

Many people, heartbroken over clogged early May schedules that prevented them from attending our inaugural training sessions, wanted to know when the next set of Ivory training classes would be held. So, we want to let you all know that we will be offering the next SuperTRUMP Certification training classes on the following dates:

### September 19th: Finance Boot Camp

For smart people new to leasing. Covers the lease finance basics needed to successfully use SuperTRUMP including, but not limited to common yields and statistics, pre- and after-tax cash considerations, tax and accounting basics. Includes Certification testing.

### September 20th: SuperTRUMP Boot Camp

For leasing people new to SuperTRUMP. Covers how to use SuperTRUMP for basic lease and loan pricing, plus more advanced structuring concepts as well as basic tax and accounting issues. Includes Certification testing.

### September 21st: Advanced SuperTRUMP Seminar

For ST users a fixin' to upgrade their skills. Covers a variety of advanced topics tailored to the needs of the participants. Topics can include: EBOs and Termination Structures, SuperTRUMP Report Customization and Word Templates and Expense Modeling.

### September 22nd: SuperTRUMP Integration Seminar

For those who want to integrate SuperTRUMP into their IT environments. The seminar consists of discussions on a variety of topics including Integrating ST into Existing Applications, ST on the Web, Custom ST Applications and in-depth, private talks about your specific issues.

All classes will be held in the San Francisco Bay area, and we'll be arranging lots of fun things to do after classes. Please email us: [training@ivorycc.com](mailto:training@ivorycc.com) or call Joseph Moore: (925) 926-1100 x108 for more information.

Single Class:	\$595.00/person*
Any 2 Classes:	\$995.00/person
All 3 Classes:	\$1295.00/person

\* The Integration Seminar is free for persons attending any of the training classes

Multi-student discounts are available. Call Christine Falconer at (925) 926-1100 x104 for details.

# SuperTRUMP City

Continued from Front Page

We use automated testing to cruise the main routes. The good thing is that these automated teams are very fast (they drive Porsche Turbos) and infallible at checking certain things. Unfortunately, these crews are unimaginative. They notice only what they look for, seeing the burned-out traffic light but missing the train wreck.

Another strategy is stress testing, like driving an overloaded truck over a bridge. If the bridge does not crack, everything's fine. If, on the other hand, it cracks, we'll either rebuild it to make it stronger, or we'll put up truck weight restriction signs. But at the least, the stress test will have checked for potential hazards.

New construction gets particular attention. Like a city planning department, we try to inspect new buildings while they're going up. That way we know that the foundation has been laid properly, that the framing is sound, that the wiring is up to code, and so on, to prevent later mishaps.

Regular patrols are another technique. This is like sending a patrol car down every

street at least once a day. This increases our coverage, but it may be superficial. Specialty crews are sent out periodically to make sure that particular spots are safe. Perhaps we've noticed that a particular corner has had a lot of accidents. We can build a crack team of inspectors to patrol that corner. They will be very good there, but nowhere else. This risk-based strategy helps to minimize known hazards.

Another motley crew does random exploration, often leaving the main routes of our city. Instead, they go into basements and attics, down the back-alleys, onto bike paths and through meadows. These characters are perceptive, watching for pipes that leak and listening for twigs breaking, as clues to potential hazards that the specialists might never see. The other teams complain that this crew is scatter-brained and never knows what they're after, but we give them credit for having found a few broken gas mains.

Finally, like a city council, we hold meetings to hear from the public to collect

input about problems citizens and visitors notice in the city. The variety of sources - phone calls, letters to the newspaper and public comments - produce a body of potentially valuable information. The process of collecting this information and considering it carefully from a variety of perspectives is vital in planning our city intelligently.

Through this diversified approach we try to ensure that visits to SuperTRUMP City are productive and pleasant. The purpose of quality control is to keep visitors coming back, even the adventuresome ones! So remember, if you ever see a pothole, tell us - we'll send a crew out right away!

Quality Control is crucial to the process here at Ivory Consulting, and we welcome customer input. If you have any case studies that you would be willing to share with us, please email David Holmgren: david@ivorycc.com or call: (925) 926-1100 x107.

# Advanced Tech Tip

## Residual Value Schedule

**Q: Is there a way to find out what yield my deal produces at various residual values, short of actually typing in each value and printing a summary report each time?**

**A: Glad you asked...we have just the thing for you! It's called Residual Sensitivity. Go to View - Residual Sensitivity. The program will bring up a**

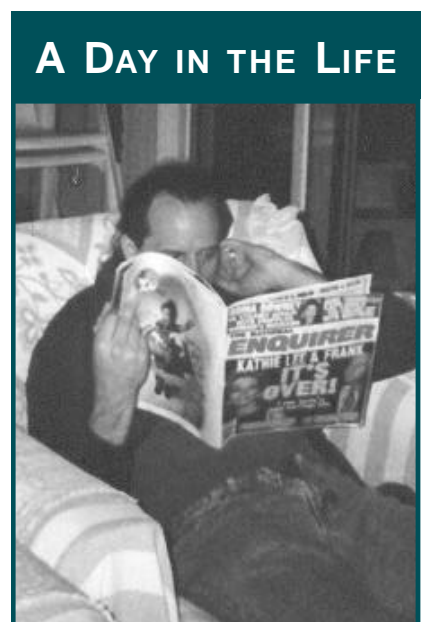
new screen called the Residual Sensitivity Preparation screen, where you'll specify the starting and ending residual values as well as the increment, yield and type. The program will print off a neat schedule of yields and other statistics for each residual value in your range. You can even send it to your printer or to a file for emailing.



Above: The Residual Sensitivity Preparation screen.

Residual Sensitivity					
MSRP (per)					
residual	normal	after	effective	period	period
	yield	tax	cost	cost	end & rate
					of residual
11.00000	5.295204	65.330425	5.295204	65.330425	0.000000
11.00000	6.523290	20.330425	6.523290	20.330425	0.1215209
11.00000	7.028950	22.330425	7.028950	22.330425	0.2028896
11.00000	7.527246	24.330425	7.527246	24.330425	0.3148633
11.00000	8.028250	26.330425	8.028250	26.330425	0.4522111
20.00000	8.488026	28.330425	8.488026	28.330425	0.6197710
22.00000	8.784117	30.330425	8.784117	30.330425	0.8100228
24.00000	9.084425	32.330425	9.084425	32.330425	0.9830938
26.00000	9.384111	34.330425	9.384111	34.330425	1.1525441
28.00000	11.194300	36.330425	11.194300	36.330425	1.3215849
30.00000	11.580300	38.330425	11.580300	38.330425	1.4742527

Above: The Residual Sensitivity Schedule.



To continue serving our customers better, Jim never stops boning up on the latest technical journals.



325 Lennon Lane  
Walnut Creek, CA 94598-2418

Phone: (925) 926-1100  
Fax: (925) 926-1335  
Email: [advantage@ivorycc.com](mailto:advantage@ivorycc.com)



*The Advantage* leasing newsletter is written and published by Ivory Consulting Corporation, home to chess fanatics, ATV daredevils, gourmet cooks, and music aficionados. Oh yeah, and we write great leasing software.

**Editor**

Lisa M. Lohrey

**Newsletter Staff**

Jim Alnas-Benson  
Albert Einstein  
Christine Falconer  
David Holmgren  
Attila the Hun  
Joseph Moore

Want to put a face to the voice you hear when you call to reactivate? Curious what a real pricing programmer looks like? Check out the Ivory Staff up close and somewhat personal on our web site: [www.ivorycc.com](http://www.ivorycc.com).

**The Fine Print**

Now that you've gotten a chance to see just what you'd be missing if you didn't get on the mailing list to receive *The Advantage* newsletter on a regular basis, why don't you send us a quick e-mail with your name and address: [advantage@ivorycc.com](mailto:advantage@ivorycc.com), or call Lisa Lohrey: (925) 926-1100 x112, and let us know what format you would prefer - hard copy or email. You will then become an official *Advantage* subscriber with all of the rewards and privileges of membership (and we'll let you know what those are when we figure it out).

Of course, we anticipate that there will be those rare few that just don't know what's good for them. If you are one of these poor, misguided souls, we don't have a problem taking your name and address off of the mailing list. In fact, being the compassionate, forgiving group that we are, we won't even give you a hard time about it. Email us: [advantage@ivorycc.com](mailto:advantage@ivorycc.com) or phone Lisa: (925) 926-1100 x112, and we'll take care of the rest.

We want to hear from you! Please forward all comments, questions, advice, gossip, great recipes, jokes and movie recommendations to: [advantage@ivorycc.com](mailto:advantage@ivorycc.com), or call Lisa directly: (925) 926-1100 x112.

Ivory Consulting Corporation is not liable for any negative ramifications associated with the reading of this newsletter. Technological anxiety and other similar complications have been noted in less than 1% of subscribers, and then only when back-leveraging a lease-back off the high board with a twist.

## Get SuperTRUMP Release 7.82!

Keeping up with the ever-changing trends in the leasing industry and getting feedback and enhancement requests from our customers means upgrading SuperTRUMP on a regular basis. Ivory releases one or two major SuperTRUMP updates a year that we send out to all of our clients for mass distribution to every end-user. Between major releases we often have minor updates that we make available at no charge for anyone requesting one. Version 7.82 is such a release.

We anticipate our next major release to be sent out later this year, and will be requesting that the upgrade be distributed to all of your users. In the meantime, we will be happy to send Version 7.82 to any customers who

request an update. Some of the changes and new features in SuperTRUMP version 7.82 are:

- Export reports and screen fields directly into Word documents
- Termination value calculations work with advance accrual payments
- Auto-sensitivity report which runs a set of predefined variations on a transaction (set-up is required)
- Cut/Paste to SuperTRUMP from Excel and other programs
- Improvements to the Report Editor

Release 7.82 is backward-compatible with previous versions of SuperTRUMP.

If you would like to learn more about these features or request a copy of the release, email: [christine@ivorycc.com](mailto:christine@ivorycc.com), or call (925) 926-1100 x104.

## Profiling the Ivory Staff



Attila the Hun

Let's not get hung up on irrelevant details like Attila being, technically, dead for the past 1600 years. Instead, we'll focus on the traits the Founding Father of Hungary and Scourge of the Roman Empire brings to Ivory:

- Results oriented
- Feared by enemies
- Able to whip green troops into fighting machines
- Furry hats? *Ooh*, just love 'em!
- Ruthlessly efficient
- Able to bring warring factions together
- Unsurpassed knowledge of strategy and tactics

So, as you can clearly see, having Ivory on your side is just like having Attila the Hun to fall back on!

*Next issue: David Holmgren and Alistair Cooke... Separated at Birth?*