



IVORY

Asset Management Solution

Asset Management Solution

Customer Case Study



PRODUCT

Asset Management Solution



INDUSTRY

Equipment Finance Industry — Asset Management



ORGANIZATION SIZE

Small to large leasing companies



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Starstruck Equipment Finance, an existing Ivory Consulting customer with a growing lease and loan portfolio, is on the lookout for ways to be more efficient and to better serve its customers. After a review of the Company's processes, they determined that the laborious, manual processes used by the asset management department needed to be simplified and digitized.

Amy, the Company's Vice President of Asset Management, evaluated several options and selected Ivory Consulting's Asset Management Solution (AMS). Based on her analysis, she believed that AMS would do an outstanding job replacing their out-of-date processes with custom-fit, end-to-end workflow designed to make the entire operation – valuations, early and end-of-term dispositions, asset remarketing, document generation and portfolio reporting – much more efficient than it is today.

THE STORY

For years, Starstruck Equipment Finance has tracked all asset management activity using a combination of external databases, spreadsheets, email and paper documents – a tedious and error-prone process – leaving Amy and her team of asset managers searching through multiple sources to find specific information about Starstruck's leases and loans.

On a given day, Starstruck's asset managers will field multiple internal requests coming from across the company – salespeople, risk managers, executives, accounting and auditors – all asking for different things. The asset managers, in turn, use a combination of email, text and one-off spreadsheets to keep all those requestors informed throughout what can become a prolonged process resulting in a highly scattered and inefficient effort. On top of that messy situation, the asset managers have to regularly follow up with the requestors to fill gaps in the initial request, such as condition reports, NAICS codes and past appraisals. These status reports and frequent follow ups are huge wastes of time.

Whether the request coming to the asset manager is for an asset valuation or an analysis that quantifies the company's residual exposure on its portfolio, asset managers spend countless hours tracking down information



The Asset Management Solution provides asset managers with an efficient workflow across all aspects of asset management. Thanks to AMS, asset managers are able to track business requests in real time, improve turnaround time, and produce detailed reports on demand. AMS also provides business security by incorporating internal controls to approval authority. The workflow also allows for improved collaboration between sales and asset management.”

Mark Goldman
VP, Equipment Finance Group
Truist Bank

THE STORY - CONTINUED

from multiple sources. Spending all that time on tracking makes it difficult for Starstruck’s asset managers to perform higher value tasks, such as completing daily residual-value setting activities in a timely manner and it severely limits the time available for reporting and analysis capabilities.

Amy has noticed that over the past few years, the demands upon the asset management department are becoming more complex. With the onset of the 2020 pandemic and virtually all employees working remotely, Amy is finding it very difficult to keep up with the workload and is considering either hiring another asset manager or purchasing software that will digitize her department. She concluded that it was time to replace Starstruck’s disconnected and out-of-date processes so her department’s low operational efficiency would not begin to limit the company’s ability to grow.

Amy created a list of goals for modernizing Starstruck’s asset management department. First, she wanted to move away from all disconnected processes and implement automated controls where possible. Furthermore, she wanted robust, real-time data and well-defined, streamlined and repeatable processes. She also added to her list of goals the ability to provide the quickest and most accurate asset valuations and disposition services to the sales department and to Starstruck’s customers. She rounded out her goal list with a critical requirement - the adoption of cutting-edge technology.

Amy, in conjunction with Bridgette, Starstruck’s COO, identified several essential business drivers that must be incorporated as part of modernizing the asset management department. Specifically, they valued:

- Decreasing time spent gathering information by consolidating all asset management activities onto a single platform.
- Taking a data-driven approach to manage KPI targets and determine more accurate residual values.
- Producing executive-level reports analyzing residual exposure.
- Simplifying and automating internal compliance and regulatory policies.
- Automatically generating offer letters, end-of-term purchase orders and renewals.

Then Amy, after discussing with Connor, Starstruck’s CIO, determined Starstruck would have to adopt a software solution. They envisioned integrating Starstruck’s back-end accounting system with an asset management software application to create a comprehensive, enterprise-wide solution which digitally integrates the asset management department into the rest of the business. Asset managers would then have the central repository of all portfolio lease and loan data that they so desperately need, as well as up-to-date daily information.

Amy, Bridgette and Connor formed the nucleus of the project team. They initially evaluated various asset management tools, but found none could achieve the agreed-upon business and technology drivers. They briefly considered building their own solution; however, that approach was quickly deemed too costly and too far afield from Starstruck's core business of financing.

THE SOLUTION

Over many years Starstruck has invested heavily in technology across the enterprise, integrating once-siloed departments. Since asset management plays an essential role throughout the company and in driving profits, but also suffers from the silo effect, a similar asset-management-focused technology investment made sense.

After learning about Ivory Consulting's AMS, Amy approached the Ivory Consulting team to discuss her team's business, operational and technology requirements. The overarching goal was to find a system that could support the high level of accuracy and detail required by asset managers.

By adopting AMS, Amy and her team determined that they could:

- Simplify compliance procedures and auditability.
- Integrate multiple functionalities into a common tool used across the organization.
- Enhance security by providing internal controls through approval authority.
- Integrate with back-end lease accounting systems and other widely used applications, such as Salesforce.
- Make data-driven decisions by leveraging robust reporting.

The Ivory Consulting implementation team worked with Connor and his IT team following all of their internal security protocols for development, testing and release of software.

Throughout the implementation, the Ivory team and Starstruck's asset managers met regularly to map the approval structure, also known as the schedule of authority, define user roles, design and populate templates, build asset valuation and portfolio reports, and more.

Since the asset managers were involved from start to finish of the implementation, they became power users of the product and were able to train their colleagues.

Once the system was released into production, the asset management department was up and running with no downtime, and AMS was well received by the users.

THE OUTCOME

As a result, Starstruck transformed its entire asset management operation by implementing a collaborative, end-to-end solution using automated workflows and a single database.

Since all asset management data is now centralized, asset management can generate executive-level analyses detailing residual exposure and performance across their entire portfolio. They can segment their analysis across

BENEFITS

WIN MORE BUSINESS

Sophisticated, accurate residual value calculations drive greater profits

INCREASE PROFITS

Analytical tools simplify tracking organizational goals and measuring KPI's

PROTECT DATA

Authentication and role-based privileges ensure data integrity

REDUCE EXPENSES

Logical and intuitive workflows eliminate labor-intensive, manual activities

AVOID COSTLY MISTAKES

Repeatable processes guide the entire asset life cycle

SIMPLIFY AUDITS

Embedded internal controls and detailed logs record all activity

IMPROVE ASSET TURN

Multiple end-of-lease scenarios direct remarketing activities

SATISFY CUSTOMERS

Quick turnarounds deliver an unmatched customer experience



Within a year of deployment, Starstruck completed over 450 asset evaluations for 200,000 assets worth \$2.8B, including \$2.3B in new business opportunities, which is roughly a 100% increase over the prior year.”

make, model, customer, geography, disposition code or in any other way – with the click of a button.

Everything in the system is logged, including documents, notes and emails. This creates a complete record of all actions taken in the system – providing for greater transparency and auditable processes.

Amy, Bridgette, Connor and their teams were able to deploy their new asset management solution efficiently with 75 users.

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IMPLEMENTATION - DETAILS OF AMS

The asset management solution is comprised of three primary modules – valuation, disposition and remarketing.

The Valuation Module is used to create and manage asset valuations. With this module, asset managers can leverage a knowledge base of all portfolio lease and loan data to make more accurate residual assumptions.

Starstruck’s asset managers have drastically reduced the amount of time spent gathering asset valuation and analysis information – improving sales cycle turnaround and customer service by providing accurate and quick valuations.

The Disposition Module is used to track mid-term and end-of-term disposition information for leased assets – whether returned, purchased, renewed or renegotiated. This led to an improvement in Starstruck’s asset turnaround time because asset management could better anticipate multiple end-of-lease scenarios.

Starstruck’s asset management uses the Remarketing Module to order and access completed inspection reports, track returned assets and assign assets for resale. By utilizing built-in remarketing and reselling features, asset management has streamlined the resale process and can easily calculate net profitability of the transaction.