
“IN THE MIDST OF THIS VOLATILE AND SLOWING ECONOMY, FIRST FINANCIAL HAD A RECORD YEAR HELPING COMPANIES INVEST IN MATERIAL HANDLING AND AUTOMATION EQUIPMENT.”



Throughout most of 2020, the COVID-19 pandemic roiled financial markets, threatening businesses and impeding access to capital. While many companies needed to invest in their infrastructure, most tended toward managing liquidity rather than buying equipment outright. To complicate matters, capital markets tightened their lending standards. Yet despite being a cash-sensitive year, **39% of manufacturing businesses** increased their technology investments beyond their pre-COVID budgeted levels.

E-Commerce Accelerates Automation Projects

For many companies, automation was a strategic investment in direct response to the disruption caused by COVID. As online shopping skyrocketed, supply chains suffered severe disruptions and businesses sought desperately to keep pace with the widespread embracement of e-commerce while maintaining a safe work environment for their employees. Reports indicate the boom in e-commerce sales for 2020 totaled \$794.50 billion just in the US alone – **up 32.4% year-over-year**.

Global e-commerce sales are predicted to surpass \$4.5 trillion in 2021, and we are witnessing explosive growth in the automation of fulfillment and distribution networks. Currently, only 14% of retailers are utilizing automation across their fulfillment locations, and 21% expect full automation in the next 12 months – **representing a 50% growth over the prior year period**. By leveraging warehouse automation solutions, managers at distribution centers and warehouses can increase accuracy and productivity, operate more efficiently, grow faster and ultimately better serve their customers.

Maintaining Liquidity Through Leasing

Although the operational benefits and financial justifications of automation are obvious, many businesses continue to delay essential projects and capital equipment expenditures. Automation integrations can require large upfront payments that result in years of payback, and usually come with a hefty price tag – particularly when you consider soft costs for installation, engineering, and software. Given today's economic challenges, banks have severely tightened their lending parameters, and many have labeled the automation and material handling sectors a credit risk.

In contrast, First Financial has been financing new automation technology for mid-sized to Fortune 500 companies at record levels, allowing them to forge ahead with critical equipment acquisitions. By partnering with First Financial to lease their automation projects, our customers often realize a “day one” savings as operational benefits exceed the monthly cost of a lease. For unlike a cash purchase or bank loan, leasing provides 100% financing – covering all costs and eliminating the need for a large upfront payment. We make any and all initial upfront progress payments, so our customers do not start paying for new automation solutions until after it has been fully implemented.

Over the last year alone, our investments in automation and material handling equipment are up over 30% from the prior year. If you are looking to conserve cash and bring predictability to expenses while moving forward with your automation projects, First Financial is here to help. For over 20 years we have partnered with companies across a wide range of industries to help them acquire material handling and automation equipment. Let us do the same for you. Hello, world

5 STEPS FOR MANAGING STEEP AUTOMATION COSTS



ACCELERATE PROJECT ROI

Avoid large upfront costs and pay for automation equipment as you gain the benefit of its use.



CONSERVE WORKING CAPITAL

Leasing stabilizes your cash flow and preserves lines of credit for other operational needs, investments, or unforeseen expenditures.



BUNDLE SOFT COSTS

Wrap all project costs including engineering, software, freight, installation and service into a unitary payment.



INCREASED PURCHASING POWER

Lease payments can be substantially lower than traditional debt payments or direct cash outlay. This gives you the ability to enhance your equipment configuration based on your optimal needs.



CREATE FUTURE OPTIONALITY

Leasing can serve as a hedge against technology obsolescence as it includes an embedded evaluation mechanism to determine whether or not your equipment will continue to meet your future needs. Plan for upgrades accordingly.

PROJECT EXAMPLE: LEASE VERSUS PURCHASE COMPARISON

Total Project Cost: \$2,500,000

Includes \$2,000,000 of equipment Material/Bulk Handling, Automation and Packaging Equipment

Includes \$500,000 of soft costs Such as Engineering, Software, Services, Freight, and Installation

CAPITAL EXPENDITURE	LEASE OPTION
\$2,500,000	Five-year Lease
ANNUAL COST	
\$0	\$500,000
ANNUAL PRODUCTIVITY SAVINGS	
\$700,000	\$700,000
YEARS TO RECOVER INITIAL INVESTMENT	
3.6 years	Day one savings equates to \$17,500 per month



The warehouse automation market will grow more than 2x from \$13 Billion in 2018 to \$27 Billion by 2025, at a CAGR of 11.7% between 2019 and 2025.*

The growth of this market can be attributed to the growth in the e-commerce industry, emerging multichannel distribution channels, globalization of supply chain networks, increased adoption of micro-fulfillment centers, the emergence of autonomous mobile robots and rising need for same day delivery.

Don't let the high cost of automation keep you from moving faster.

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Get the latest version of IT leasing.

Keep your business moving forward with our Technology Asset Refresh programs and lease virtually any IT product and solution.

We have specialized in leasing technology for decades and understand having access to the latest technology is a necessity for any organization. Our goal is to help you profit from the productivity of the technology while avoiding potentially risky investments in the equipment itself.

Our technology financing experts can help you implement a technology refresh and lease strategy that keeps your business ahead of the curve, while remaining on a predictable IT budget to conserve your working capital. You can select programs that ensure you have the means for frequent updates, offer tax benefits, and keep your budget in check.

Benefits of Leasing Information Technology:

- Refresh Outdated Equipment
- Lower Upfront IT Equipment Costs
- Predictable Monthly Payments
- Conserve and Control Cash
- Improve Your Balance Sheet

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Solutions First.



Let the technology financing experts at First Financial Technology help you choose a plan that aligns to your strategy and financial goals.

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Hello, world



**Feel
better
about
healthcare
leasing.**



Full Service Leasing Solutions

Our customized lease programs give you access to the latest healthcare equipment so you can focus on what matters most - improving patient care.

Advantages of Leasing Medical Equipment

- 100% Financing with No Down Payment Required
- No Large Capital Outlay
- Converts a Large Cash Sale Price into a Low, Affordable, Tax Deductible Monthly Payment
- Retain Cash for Current Needs or Other Investment Opportunities
- Replacing Obsolete Equipment Can Improve Patient Outcomes
- Can also Include Software, Services and Soft Costs Can into One Lease Payment

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Effortless material handling.

(At least the leasing part.)

Don't Let the High Cost of Automation Prevent Your Customers From Moving Faster

First Financial can help you drive more business through leasing with customized finance programs designed to fit the unique needs of your customers. A vendor leasing plan will help you close more deals, and increase transaction sizes – all in less time than traditional bank financing.

Benefits for Your Customers

- Leasing conserves capital and provides 100% financing with no down payment required
- Converts a large cash sale price into a low, affordable, tax deductible monthly payment
- Customers can retain their cash for current needs or other investment opportunities
- Flexibility at end of term allows customers to purchase the equipment or upgrade to newer equipment
- We can also include software, services and soft costs for freight, installation and training –in one lease payment

LEARN HOW WE CAN FINANCE YOUR CUSTOMER'S FUTURE – TODAY!

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