

We're thrilled to announce our partnership with America In Motion to offer their customers 100% financing for AGV Mobile Robots. We handle all upfront costs, allowing customers to preserve their working capital. We take care of all upfront deposits and expenses from the initial concept to processing, delivery, and installation.

This can result in significant day-one savings and an immediate return on investment. If you're seeking to conserve cash and bring predictability to expenses while advancing your automation projects, First Financial Equipment Leasing is ready to assist you. Hello, world

ORANGE COUNTY BUSINESS JOURNAL

WOMEN — IN FINANCE —

CUSTOM CONTENT • July 22, 2024

Orange County Business Journal: Women In Finance 2024 **July 22, 2024**

Uyen Tran, the vice president, GL Accounting Manager at First Financial Equipment Leasing, has made an exceptional impact on the company's accounting department over the past year through her remarkable leadership skills. Under her strategic guidance, the team has achieved unprecedented success, transforming a department with high turnover into one that is highly efficient, effective, and exceptionally skilled.

When she assumed the role of controller in May 2023, following the departure of the previous controller, she was able to produce financial statements in only 40% of the time it originally took. Tran's dedication to fostering a cohesive and professional team has resulted in significant enhancements to our financial processes, leading to a remarkable increase in efficiency and accuracy. Her leadership has not only raised the bar for our entire company but also inspired her team to strive for excellence consistently in all our endeavors.

Tran's significant improvements to our month-end closing process, a 60% increase in efficiency, have profoundly impacted our company's success. Additionally, she developed a robust Balance Sheet reconciliation process that added 44 more General Ledger accounts for our team to reconcile, an increase of 51% from the number of accounts that were reconciled in the previous fiscal year. By streamlining the production of financial statements and introducing new reconciliation and documentation processes, she has further enhanced efficiency and internal control. Tran's exceptional value to our company is immeasurable, and her contributions have been pivotal in driving our success.



Uyen Tran
Vice President, GL Accounting Manager
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OPTIMIZE YOUR EQUIPMENT COST PER HOUR

THE DOLLARS AND SENSE OF FAIR MARKET VALUE LEASES

BY NELSON ABELHA

Leasing provides an affordable way to update and upgrade business equipment, preserving cash for other needs. The choice between Fair Market Value (FMV) and capital leases can significantly impact operational efficiency and financial health. To make the best choice, it's crucial to understand leasing option advantages, particularly in terms of cost per hour.

THE DIFFERENCE BETWEEN FMV LEASES AND CAPITAL LEASES

FMV leases are operating leases and the prevalent choice in the market today. With FMV leases, the lessee can use the equipment for a specific period, paying relatively lower monthly installments. At the end of the lease term, the lessee has the flexibility to return the equipment, purchase it at its fair market value, or extend the lease. This empowers businesses to align equipment usage with evolving needs, making FMV leases a practical and versatile option.

Capital leases, also known as finance leases, are more akin to a loan. The lessee essentially finances the equipment purchase, typically with higher monthly payments, and owns the equipment at the end of the lease term. With this type of lease, there are higher monthly payments when compared to an FMV lease, but at the end of the lease term, the lessee purchases the equipment for \$1. This is like an equipment loan and is ideal if you plan to keep the equipment for a long time, or when equipment obsolescence isn't a concern.

COST PER HOUR ANALYSIS

Cost per hour is a crucial metric that measures the total cost of owning and operating equipment; it's calculated by dividing the total payments for the initial lease term by the number of hours the equipment is used.

FMV leases can provide several cost per hour advantages:

Lower monthly payments

Since FMV leases do not require the lessee to pay the full equipment cost over the lease term, the monthly financial burden is significantly reduced compared to capital leases. Lower payments mean better cash flow, allowing businesses to allocate funds to other critical areas, such as labour, materials, and project development.

Maintenance and repair costs

FMV leases often include maintenance and repair services as part of the lease agreement. This can equate to substantial savings in equipment operation cost per hour. With maintenance covered, businesses can dodge unexpected repair costs, reduce downtime, and ensure equipment is always in optimal working condition. In contrast, with a capital lease, the lessee is typically responsible for maintenance and repairs, which can be unpredictable and costly.

Technological advancements

Heavy construction equipment technology is constantly evolving. With an FMV lease, companies can upgrade to newer, more efficient models at the end of the lease term without the financial burden of owning outdated equipment. This ensures ongoing access to the latest technology, for greater productivity and reduced operational costs. Capital leases could lock companies into long-term ownership of equipment that may become obsolete, leading to higher costs due to less efficiency.

Flexibility and scalability

FMV leases offer greater flexibility compared to capital leases. Projects vary in scope and duration, and it's critical to adjust equipment needs accordingly. With FMV leases, companies can scale equipment fleets up or down based on project requirements without long-term ownership commitment. This ensures equipment costs align with actual usage, optimizing cost per hour.

Tax advantages

FMV leases can offer tax benefits not available with capital leases. Lease payments under an FMV lease are often fully deductible as business expenses, reducing taxable income which can provide significant tax savings, lowering overall equipment operation cost per hour. Capital leases typically allow for depreciation deductions, which may not be as advantageous depending on a company's tax scenario.

FMV leases offer several advantages over capital leases for heavy construction equipment, especially in cost per hour, making FMV leases an appealing option for construction companies seeking to improve their operations and financial well-being.

TWO SCENARIOS: FMV AND CAPITAL LEASE OPTIONS

	FMV LEASE	CAPITAL LEASE
XYZ Construction Company is evaluating leasing options for a \$705,000 articulated dump truck (ADT).	XYZ opts for an FMV lease with a monthly payment of \$18,437.19 over two years. Maintenance and repairs are included in the lease. At the end of the term, XYZ can return the equipment and lease a new model.	Alternatively, XYZ could choose a capital lease with a monthly payment of \$31,177.70 over two years, and be responsible for all maintenance and repair costs, estimated at \$15,000 annually.
Top-Line Cost Analysis	<ul style="list-style-type: none"> Total lease payments: \$18,437.19 x 24 months = \$442,492.56 Maintenance and repair costs: \$0 (included) Total cost: \$442,492.56 	<ul style="list-style-type: none"> Total lease payments: \$31,177.70 x 24 months = \$748,264.80 Maintenance and repair costs: \$15,000 x 2 years = \$30,000 Total cost: \$778,264.80
Cost Per Hour Breakdown (if XYZ uses the excavator for 1,500 hours per year):	$\$442,492.56 / (1,500 \text{ hours} \times 2 \text{ years}) = \$147.50 \text{ cost per hour}$	$\$778,264.80 / (1,500 \text{ hours} \times 2 \text{ years}) = \$259.42 \text{ cost per hour}$

In this scenario, the FMV lease provides a significantly lower cost per hour – a savings of \$111.92 per hour – which would cover the costs of more than two unionized machine operators.

“The choice between Fair Market Value (FMV) and capital leases can significantly impact operational efficiency and financial health.”

— NELSON ABELHA, Regional Vice President, First Financial Canadian Leasing

Hello, world

Secured Research surveyed over 1400 Middle Market CFOs, 5000 Small Business Decision Makers, and 2600 Equipment Sellers on over 800 topic areas for the first six months of 2024. Here are key data points to help drive strategy for a strong year-end close:

- 58% of Middle Market CFOs and 27% of Small Business decision-makers plan to proceed with previously delayed capital expenditures due to improved economic conditions and lower interest rates.
- There is a reported “moderate to severe” contraction in credit terms from primary banks, providing opportunities for well-capitalized lenders to gain market share. This means that credit terms have become more restrictive, making it more difficult for businesses to obtain loans or financing.
- While over 60% of all audiences express concerns about the upcoming election’s impact on growth investment plans, historically, the impact of elections on capital expenditures has been limited.
- The shift towards subscription-based or as-a-service-based capital expenditure consumption is evident, with a 21% increase in the middle market and a 13% increase in small businesses.
- Infrastructure spending is gaining momentum, with construction firms reporting higher backlogs and \$1.2 trillion in government funding being utilized.
- Despite revenue pressures, a significant percentage of manufacturers plan to increase automation investment to address labor issues.
- New electric vehicle and battery factory construction is on the rise, with significant capex spending expected to continue through at least 2026.
- Equipment sellers are increasingly open to new finance partnerships and seeking alternatives, reflecting a notable shift from previous years.

Our Analysis – In today’s challenging economic climate, businesses may find it difficult to secure financing through traditional banking channels. At times like these, it’s essential to consider alternative solutions, such as leasing arrangements offered by First Financial. As a robust and independent equipment leasing provider, First Financial stands ready to extend credit when other avenues may be closed off.

By opting for leasing solutions, businesses can confidently proceed with capital expenditures that may have been put on hold due to financial constraints. This approach not only ensures the acquisition of necessary equipment but also brings stability to resource allocation and cost planning. Moreover, equipment financing through leasing minimizes upfront costs, bolsters cash flow, and potentially increases purchasing power. This, in turn, enables access to high-quality equipment and supports equipment customization, while also simplifying the process of replacing outdated equipment and averting maintenance costs and production inefficiencies. Hello, world

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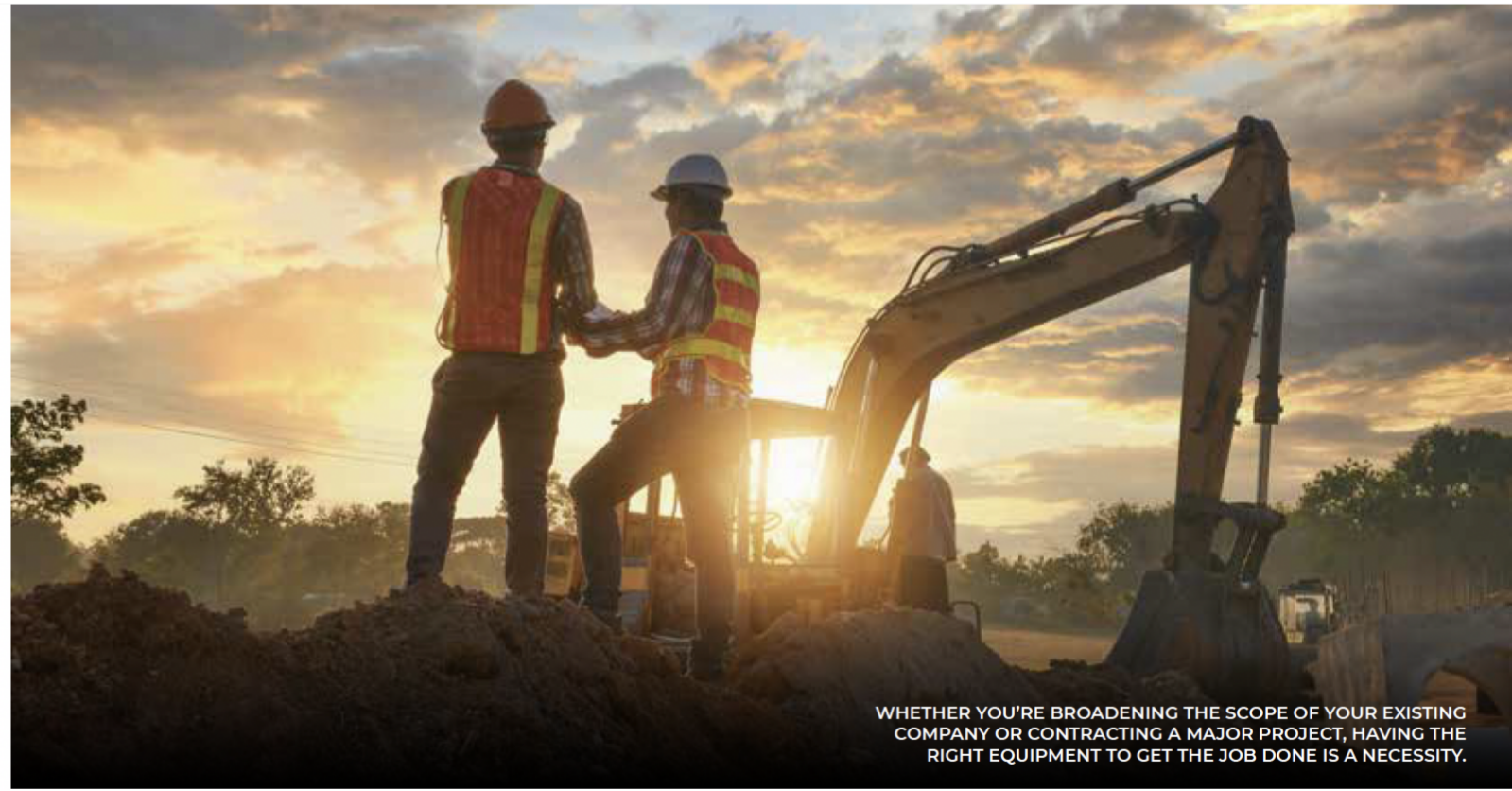
Hello, world

CONSTRUCTION BUSINESS



REFACTOR YOUR CONSTRUCTION EQUIPMENT ACQUISITION PLAN IN AN ERA OF ECONOMIC UNCERTAINTY AND CONSTRAINED LENDING

BY NELSON ABELHA

The image is a promotional graphic for an article. It features a blue header with the text 'CONSTRUCTION BUSINESS'. Below the header is a circular portrait of a man with a beard and short hair, wearing a light-colored shirt. To the right of the portrait is the title of the article in large, blue, uppercase letters: 'REFACTOR YOUR CONSTRUCTION EQUIPMENT ACQUISITION PLAN IN AN ERA OF ECONOMIC UNCERTAINTY AND CONSTRAINED LENDING'. Below the title is the author's name 'BY NELSON ABELHA' in a smaller, blue, uppercase font.

WHETHER YOU'RE BROADENING THE SCOPE OF YOUR EXISTING COMPANY OR CONTRACTING A MAJOR PROJECT, HAVING THE RIGHT EQUIPMENT TO GET THE JOB DONE IS A NECESSITY.

Refactor Your Construction Equipment Acquisition Plan in an Era of Economic Uncertainty and Constrained Lending

By Nelson Abelha

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Hello, world

The construction industry is poised for significant growth in the latter half of 2024, driven by increased construction spending and substantial investments in infrastructure projects. The recent passing of the Bipartisan Infrastructure Law and the Infrastructure Investment and Jobs Act is set to inject billions of dollars into the construction sector, opening up opportunities for contractors specializing in upgrading transportation networks, water and energy systems, and public buildings.

Companies must maintain financial flexibility to capitalize on these opportunities. However, challenges like fluctuating material costs and labor shortages continue to persist. To thrive in this environment, contractors must embrace technological advancements, implement sustainable construction practices, and invest in workforce development initiatives. With economic uncertainties looming, contractors must prioritize robust financial planning and effective risk management. Developing comprehensive project budgets and securing favorable financing terms will be essential in successfully navigating market fluctuations.

When considering acquiring new equipment for upcoming projects, businesses should explore alternative financing options such as leasing, as it conserves capital and offers the benefit of 100 percent financing with no down payment required. Adapting to change and proactively managing risks will be key to achieving success, and staying informed of data and trends will establish a solid foundation for sustainable growth.

JA Mitsui Leasing, through its subsidiary, JA Mitsui Leasing USA, acquired a 100% interest in Oakmont Capital Services, a specialty finance company that delivers solutions for small-ticket equipment.

"We are excited to supercharge JAML's strategic North American expansion efforts alongside this highly skilled and experienced team," Kiyoshi Doi, CEO of JA Mitsui Leasing USA, said. "As a consequence of continued capital markets dislocation, the equipment finance landscape is undergoing profound changes, and the Oakmont Capital team's deep industry expertise will enable JAML to effectively meet the extensive financing needs of U.S. companies."

"The Oakmont platform is a natural complement to our group companies in the United States, including First Financial Equipment Leasing, Katsumi Global (dba JA Mitsui Capital Americas), and Modern Rail Car. Collectively, JAML can now deliver comprehensive, expert, and timely lending and leasing solutions across the North American market."

"For over 25 years, OCS has built rapport within the equipment finance industry and with our customers," Joe Leonard, president, CEO and co-founder of Oakmont Capital Services, said. "We're honored to join the JA Mitsui Leasing family of companies to take our offerings to the next level and better serve our customers, partners and employees."

"For over six years, OCS has been on an upward trajectory in volume, technological advancements, headcount and more," Daryn Lecy, vice president and COO of Oakmont Capital Services, said. "We're thrilled to combine our strengths and resources with JA Mitsui Leasing to elevate our offerings and continue to approach a growth mindset with a strong strategic vision that will benefit all."

Established in 1998 as an equipment finance broker, Oakmont Capital Services has matured into a direct lender with offices in West Chester, PA, and Albany, MN, and a staff of more than 60 finance professionals. The company will continue to use the Oakmont Capital Services brand, and there will be no changes to the current management or team. Hello, world

ORANGE COUNTY BUSINESS JOURNAL

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DISTINGUISHED LEADERS – HUMAN RESOURCES

MARCH 25, 2024

2024 DISTINGUISHED LEADERS – HUMAN RESOURCES



As Vice President of Human Resources, Amy Yeager independently manages the company's HR operations with a hands-on and strategic approach. Her contributions to the organization's growth and success have been significant, as she has developed policies, procedures, and systems that have increased efficiency, compliance, and cost-effectiveness. Additionally, Yeager has instilled a culture of excellence and innovation that benefits the company and its employees.

During the past three years, she effectively managed the company's rapid growth, which included expanding to 13 states across the US and Canada and increasing headcount by 95%. Yeager implemented new programs to streamline procedures, such as enhancing the recruiting methods and new hire orientation to improve onboarding, writing and implementing HR policies, enhancing employee benefits offerings, establishing employee recognition programs, revamping the performance management and review processes, and implementing ongoing learning and development opportunities.

Yeager's contributions to the company's growth and success are immeasurable, as evidenced by her hard work and dedication, which have enabled the company to achieve its strategic objectives while maintaining compliance with relevant laws and regulations. Her innovative approach to HR management has created a culture of excellence and innovation that has positively impacted the company and its employees.

[>> CLICK HERE to read Distinguished Leaders: Human Resources 2024 <<](#)

Hello, world

According to a new report released at Modex by MHI and Deloitte, 55% of supply chain leaders are increasing their investments in supply chain technology and innovation. The 2024 MHI Annual Industry Report, "The Collaborative Supply Chain: Tech-forward and Human-Centric," shows that 88% of those surveyed plan to spend over \$1 million, with 42% planning to spend over \$10 million. The report provides insights into the latest trends and technologies revolutionizing supply chains and the priorities of those who manage them.

The report also highlighted the significant level of AI adoption and interest in the industry. 84% of survey respondents are planning to adopt AI technologies within the next five years. Furthermore, 51% of the respondents believe AI technologies will create a competitive advantage or disrupt their industry within the next ten years. As a result, company leaders are looking to integrate AI with their business processes to gain a competitive edge.

Generative AI can help optimize key supply chain processes, such as logistics, shipping, transportation, supplier selection/due diligence, and inventory management. These areas have the most significant potential application for AI in supply chain management. However, the report also notes that supply chain management faces a challenging environment due to inflation and rising capital costs.

Inflation concerns tempered growth as workforce and customer demand remain top challenges. 53% of this year's respondents identified rising prices due to inflation as a significant or extreme challenge to their supply chain operations. Inflation can increase the cost of raw materials, labor, and other operational expenses, squeezing profit margins. To offset these increased expenses, businesses must improve their efficiency and reduce costs elsewhere in their operations.

To solve these challenges, equipment leasing can effectively help companies modernize their supply chain and be in the best position to reap the benefits. Investing in AI technology can be wise for businesses that wish to secure their financial future in the current high inflation environment. Equipment leasing can help companies acquire the required equipment before prices rise again, providing stability to plan with certainty and allocate resources efficiently without worrying about rising costs.

With leasing programs, businesses can enjoy lower upfront costs and improved cash flow, giving them the flexibility to access equipment and technology with no down payment required. This preserves capital, which can be allocated to other expenses or investments, creating more cash reserves during economic downturns. Leasing programs have the potential to significantly increase a business's purchasing power, offering access to newer technology that might otherwise have been unaffordable. Additionally, payments are generally lower than traditional debt payments, enabling customization of the equipment configuration to match the business's unique requirements.

At First Financial Equipment Leasing, we specialize in helping businesses make the transition to new technologies attainable and affordable. Our lease financing programs can equip any business for success by keeping working capital where needed most. Investing in AI can help your business stay ahead of the competition and succeed in today's challenging

environment. So, why wait? Contact us today to learn more about how we can help you achieve your goals.

Hello, world