

# Developing Internal Relationships – Originators and Management Work Together to Generate Stronger Assets

*The equipment finance and leasing industry is transforming, requiring tighter cooperation between originators and executive teams to manage new challenges and ensure long-term success.*

**By Scott Wheeler, CLFP**

The commercial equipment finance and leasing industry is in transition and relationships between originators and executive teams are significantly changing. The relationships are a two-way street. All parties need to cooperate with one another, focus on the same objectives, and understand the long-term vision of the organization. The strongest sales executives are coaches, advocates and partners for each of their originators and the strongest originators are willing to help their managers accomplish what is in the best interest of the company.



**Scott Wheeler, CLFP**  
Wheeler Business Consulting

Sales executives are often prior top-performing industry originators. During the best of times, they encourage their teams based upon their own sales experiences and their personal motivation to generate more business. Growth is priority one – new business development is all that matters. During the best of times, sales teams often (incorrectly) perceive quality as a credit function or operational challenge which adversely affects their ability to grow and increase their personal incomes. However, during a transitional period the company, sales executives (managers), and origination teams are all required to shift their focus from pure growth to an emphasis on generating the highest quality assets. The current transition we are weathering is more difficult because the industry has not experienced a transitional period for a decade or more; and often neither the originators nor the managers have any transitory experience to draw upon.

Over the past year, sales teams have improved with both sales executives and origination teams taking the time to improve their holistic understanding of the commercial equipment finance and leasing industry. It is a process of getting back to basics and better understanding the credit process, the legal aspects of documentation and collections, the importance of

equipment valuations, the impact of risk and rewards (pricing and structure) on the profitability of the company, and how the activities of sales impact the viability and sustainability of the individual originators and their companies. It can be daunting to realize that origination teams (including banks, institutional players, independents, and captives) lack the necessary knowledge to function in a different economic environment and that many originators lack basic knowledge that should have been learned over the past decade.

The sad reality is that the basic concepts were not necessary to be an above average producer when there was excess capital available in the market, credit standards were lenient, and most customers (even more challenged clients) were able to meet their financial obligations. The strongest sales managers and originators recognized their deficiencies early in the transitional period and have been working together to advance their industry knowledge and become stronger financial partners for their vendors and end-users. Internal and external education is necessary to move an originator, a sales team, and a company to the next level but also for career advancement as this can only occur with additional knowledge and industry expertise. The process is ongoing and must be based upon the current market conditions.

Increasing productivity and generating the highest quality assets need not be exclusive of one another. Origination teams that fully understand the characteristics of quality, well-performing assets are more easily able to identify, win and fund the “right” transactions. There are numerous examples of sales teams working together to positively navigate a changing environment. There are also numerous examples of sales teams working positively together to pivot from sectors which are no longer viable to new sectors which align with their company’s goals and objectives. Additionally, there are numerous examples of sales teams working together to navigate the expansion of their past successes which remain solid opportunities in today’s market. The stron-



gest sales managers facilitate change, are part of the change, and lead their teams to adopt the necessary changes required to succeed both individually and as a team. Strong sales managers are leading their teams and the industry to provide financing and leasing of commercial equipment to worthy businesses.

Effective sales managers complete activities that they expect their team members to accomplish daily. Multiple originators have expressed respect for their sales managers who lead by example and actively participate in the sales process. There are multiple examples of sales managers tag teaming with individual originators to create strategic initiatives and are winning key accounts. There are also many examples of sales managers providing additional resources for their team members to become more proficient in technology, to gain credit/operational skills, and to build databases which allow the originators and the team to exceed production expectations. Sales managers who have pivoted their approach from strictly demanding top-line production results to assisting individual originators in becoming skilled equipment finance and leasing professionals are increasing in numbers as the market is demanding originators with greater industry expertise and companies that are building internal talent are leading the industry in developing high-quality portfolios.

Effective originators are equal partners in the relationships they build with their managers, employers, and other stakeholders (vendors, end-users, and complementors). It is the originator's responsibility to strengthen his/her internal and external relationships – to take control of the process. During the best of times, top producers are independent thinkers and actors who often push the envelope and expect others to bend to their will. During transitional periods, top producers actively

collaborate, lead others and gather competitive data so that they and their company can best position themselves in the market. During transitional periods, professional originators quickly distinguish themselves from the order-takers, average originators and commodity-driven participants and continue to grow their business, outperform their peers, and solidify their internal and external relationships. Top producers look beyond their self-interest and work closely with their sales managers and company executives to advance the company's culture and profitability as they fully understand that contributing to their company's long-term sustainability improves their personal financial security.

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Building a world-class sales team depends upon cooperation, open communication, and leadership at every level of an organization. It is highly rewarding for a sales manager to lead a team through a transitional period and assist individual originators in reaching a higher level of professionalism, industry proficiency and career advancement. Transitional periods build character and future leaders for the industry. In 2024, strong sales managers are building the next generation of leaders for the commercial equipment finance and leasing industry. If history teaches us anything, it has demonstrated that this industry becomes stronger during transitional periods. Executives become stronger leaders because of their ability to navigate more challenging times while preparing for the next upturn in business opportunities. Originators build long-term career opportunities during transitional periods because of new-found skills, their ability to adapt, their greater understanding of risk-reward dynamics of every transaction, and their ability to build stronger internal relationships. [🔗](#)

**ABOUT THE AUTHOR:** Scott Wheeler, CLFP, is the President of Wheeler Business Consulting.