

IT DEVICE MANAGEMENT STRATEGIES

AICUP Lunch & Learn Webinar Series

First American Education Finance

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March 10, 2022





6 years at First American Education Finance

10+ years being an AICUP Endorsed Business Efficiency Program

35 AICUP member institutions have worked with First American

~**\$24MM** program value

Average program volume is **\$650k**

Projects ranging from **\$75k - \$5MM+**





A trusted strategic asset, dedicated to higher education



Exclusive Focus:
EDUCATION



Financial
STRENGTH



Project-Based
FINANCING



Innovative
TECHNOLOGY



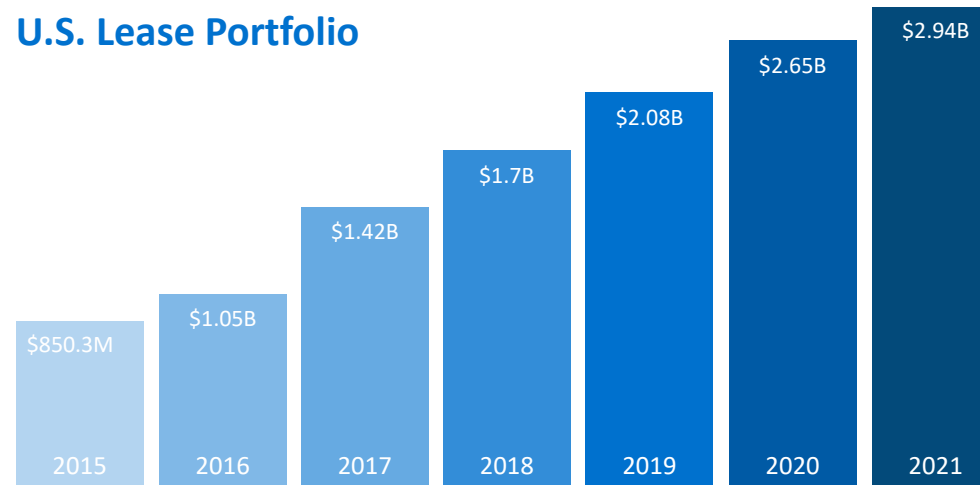
Concierge
SERVICE MODEL

Strength and Stability Working for You

History

- 1994 | Founded
- 2010 | Created teams aligned to client industries
- 2012 | Acquired by City National Bank
- 2015 | City National Bank acquired by RBC
- 2020 | 10th consecutive year of record-breaking originations

U.S. Lease Portfolio



City National Bank (\$USD)

Q4/2021¹

Assets	\$91.3B
Credit Rating	Moody's A2

For more information on our parent company, [visit *cnb.com*](http://visit.cnb.com)

RBC (\$CAD)

Q4/2021²

Assets	\$1.71T
Credit Rating	Moody's Aa2

For more information on our ultimate parent company, [visit *rbc.com*](http://visit.rbc.com)

¹ City National Bank Financial Highlights as of 10/31/2021

² RBC Financial Highlights as of 10/31/2021

AGENDA & LEARNING OBJECTIVES

The background of the slide features a blurred photograph of three business professionals in a meeting. Two men in suits are seated at a table, looking towards a woman who is seen from the back, also in a suit. They appear to be in a professional office setting with large windows in the background.

01 CURRENT TRENDS: STATE OF CAMPUS TECHNOLOGY IN 2022

02 DEVICE MANAGEMENT PROGRAM: HOW IT WORKS

03 EXAMPLE PROGRAMS FROM YOUR PEER INSTITUTIONS

04 KEY TAKEAWAYS

State of Campus Technology

There has been a fundamental *shift*,
the pandemic forced campuses to look at:

- How technology keeps institutions and students connected
- Impact of technology on student experience (and retention)
- Transformation of the faculty teaching experience (and faculty retention)
- How a sudden injection of stimulus funding into new technology has redefined the academic environment

QUESTIONS TECHNOLOGY LEADERS ARE ASKING THEMSELVES

Current refresh philosophy today? Does IT's vision align with other administration?

How do we maintain the technology program funded with stimulus capital?

Who's responsible for data wiping devices? What about the cost/time?

How are we budgeting for technology replacements? Op budget? Cap budget? Wish list and cross our fingers?

Do we auction devices internally? Time spent maximizing resale value?

In light of IT staffing shortages, how do I do more with less?



“

We have struggled over the years with refreshing technology and finding the capital funds to be able to do that”...”and how to manage a budget for all of our peripherals, because those are important too”

CIO, Top-Ranked Private University in Maryland

Common Challenges Colleges Face with Technology Management Strategies

Aging Technology

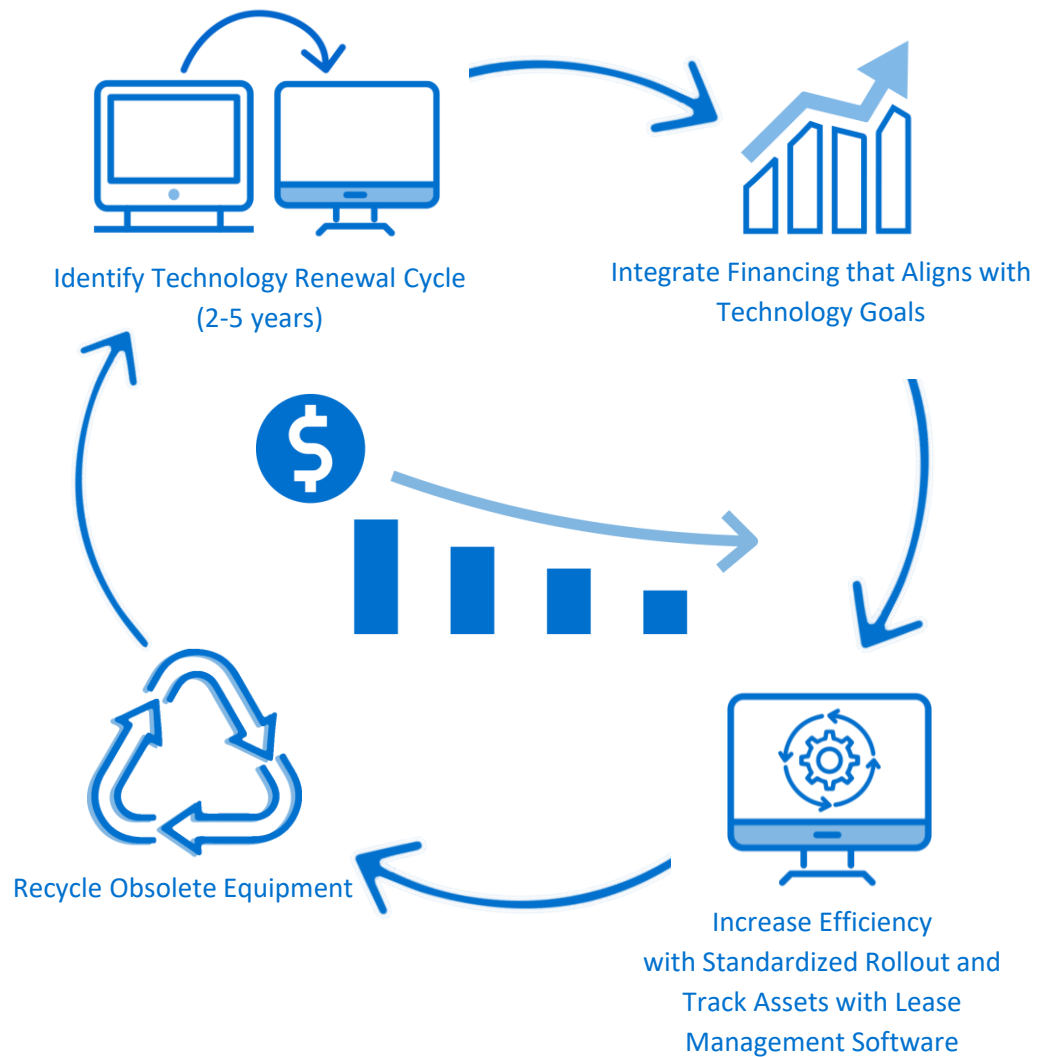
- **Time spent** to maintain and troubleshoot 7+ year old devices
- Technology **out of warranty**
- Assets **vulnerable to security risk**
- **Unpredictable costs** to replace assets
- **Justifying** budget requests if devices are still functioning

Decentralized Process

- **Surplus of devices** to manage
- Departmental challenges – *budgeting, management of assets*

End of Life Management

- Disposal of technology after useful life
- Security risk if not wiped adequately



DEVICE MANAGEMENT PROGRAM

Lease IT assets on a refresh cycle (3-7 years)

- ✓ Streamline complex technology goals
- ✓ Budget consistency
- ✓ Tailored amortization
- ✓ End of lease services

DEVICE MANAGEMENT PROGRAM

How it works

Procurement Process

- Select the equipment of your choice, from **vendors of your choice**
- Equipment and vendors are **unchanged** from current process
- What changes *is how you pay for them*

Budget & Planning

- **Operationalize** your IT capital spend
- Creates **consistent and predictable** monthly payments
- **Align expenses to use** of hardware, software, and service contracts
- Rent the equipment for **less than** today's cash purchase price

Technology Department

- **Reduce time** of staff servicing old devices
- **Free up resources** by utilizing our asset deployment & recovery services



HOW IT WORKS AT YOUR PEER INSTITUTIONS

Setup

- Let's assume a program with ~1000 devices, that's 250 per year on a 4-year refresh
- FA sets up a finance facility large enough to support this program
- Structure the program
 - Align useful life to lease term
 - Discuss additional services (e.g. pack-and-ship, tagging, etc.)
 - Rental lease vs. loan and trade-in program
 - These are all a la carte, don't have to be the same for every lease.

Deployment

- Then we're on an open order basis. Lease schedules can be opened and closed as-needed, typically quarterly
- College/FAEF is firing off equipment quotes via email, or via our digital leasing platform (FA | Experience)
- FA project managers take care of equipment orders, tracking equipment, following up with you when it delivers
- Lease documents are prepared and executed

Management

- All equipment and leases are tracked using FA | Experience
 - Start date, end date, serial #'s
 - Run a report: show me devices coming to end of lease this quarter/FY

HIGH LEVEL OVERVIEW

Rather than having to place 1 large bulk order TODAY, these deployment strategies give you **more flexibility** to manage devices on a schedule that works for you...

Spring / Fall Deployment

- ✓ First American opens lease line
- ✓ We issue POs at college's request throughout the academic year
- ✓ Close out 2 leases per year: 1 in the spring, 1 in the fall
- ✓ **Benefit:** Avoid winter/summer deployment given staff/faculty tend to be off-campus

Fall / Winter / Spring Deployment

- ✓ Close out leases 3x per year
- ✓ **Benefit:** Avoid summer refresh
- ✓ **Benefit:** IT staff more focused on other major strategic initiatives during summer months

Quarterly Deployment

- ✓ Quarterly refresh cycle (spring, summer, fall, winter)
- ✓ **Benefit:** Spread out the workload as much as possible

DEPLOYMENT STRATEGIES

KING'S COLLEGE

King's College maintains a replenishing device management program with First American through which we fund ~\$500k per year

How was the program procured?

Competitive RFP for a Master Lease Program

Who negotiated the master agreement?

Information and Instructional Technology Services (IITS): Director of User Services

Who are the primary campus stakeholders?

Finance: VP Business Affairs, CFO, Treasurer

ITS: Executive Director, Director of User Services

What types of capital assets are being financed?

Capital project and equipment to be financed include servers/storage, annual summer laptop refresh on a 4-year rotation, Esports computing devices on a 3-year rotation, and facility build-outs and renovations

What types of lease structures are used?

Our portfolio includes the following lease types;

- Fair Market Value (FMV)
- Capital Lease (\$1 Buyout)

Benefit to the Client

Staff/faculty laptops refreshed every 4-years, Esports computing machines refreshed every 3-years, monetize residual value upfront, simple return process

DESALES UNIVERSITY



Who negotiated the master agreement?

Finance Office: Director of Finance and Treasurer

Who are the primary campus stakeholders?

Treasurers Office: Director of Finance Treasurer

Information Technology: CIO, Applications and Systems Administrator

What types of capital assets are being financed?

Equipment financed includes their annual summer IT refresh on a 4-year rotation

What types of lease structures are used?

Our portfolio includes the following lease types;

- Capital Lease (\$1 Buyout)

Benefit to the Client

Forward rate lock allows them to lock in current rates during budgeting season, then issue POs easy to secure equipment for summer delivery/deployment. Known cost of ownership should DeSales choose to keep using some/all of the computers at the end of the lease.

DeSales has had a master agreement in place since 2014 and funded over \$1.4MM of computers with our device management program

DELAWARE VALLEY UNIVERSITY

DelVal has awarded First American
over \$1.5MM in financing for
technology and equipment since May
of 2021

How was the program procured?

Client Referral

Who negotiated the master agreement?

Finance & Administration: VP Finance

Who are the primary campus stakeholders?

Finance: VP Finance, Director of Budget and Analysis

Help Desk and Technology: CIO, Applications and Systems Administrator

What types of capital assets are being financed?

Equipment financed includes faculty/staff laptops refreshed every 4-years, residence hall furniture, firewall and IT security equipment

What types of lease structures are used?

Our portfolio includes the following lease types;

- Fair Market Value (FMV)
- Capital Lease (\$1 Buyout)

Benefit to the Client

Lease-line provides multiple term length and structure options

LEASE CUSTOMIZATIONS



CO-TERMINOUS
LEASE END DATES

RATE LOCK



PAYMENT DEFERRALS

KEY BENEFITS

For Your Campus



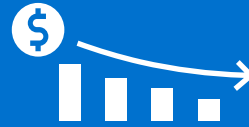
Gain Predictability

Take a more proactive approach by aligning the useful life and warranty of technology to budgetary goals.



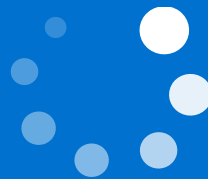
Time and Resources

Reduce ongoing IT maintenance on campus by setting up a disciplined refresh cycle.



Ability to 'Right – Size'

With fluctuations in enrollment and staffing changes this allows schools to increase or decrease annually dependent on needs.



Centralized Control

Improve process efficiency by gaining more control over leases and reduce overall cost by aligning all project financing under one master lease.



Avoid Obsolete Technology

In today's rapidly evolving higher education environment, acquiring new technology is imperative in optimizing the student learning experience.

ACTIONABLE NEXT STEPS

STEP 1

**Schedule a
Discovery Call**

STEP 2

**Develop a Funding
Strategy**

STEP 3

**Reconvene with
Various
Stakeholders to
Finalize Program**

THANK YOU



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