

Financing for  
**What's Next**



# Strategies to Finance Digital Infrastructure





**12+** years being an AICUP Endorsed Business Efficiency Program

**7** years at First American Education Finance

**21** active AICUP member institutions clients

**~\$31.3MM** program value

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

Average program volume is **\$1.49MM**





An extension to your business office, dedicated to higher education



*Exclusive Focus:*  
EDUCATION



*Concierge*  
SERVICE MODEL



*Specialty*  
FINANCING



*Innovative*  
TECHNOLOGY



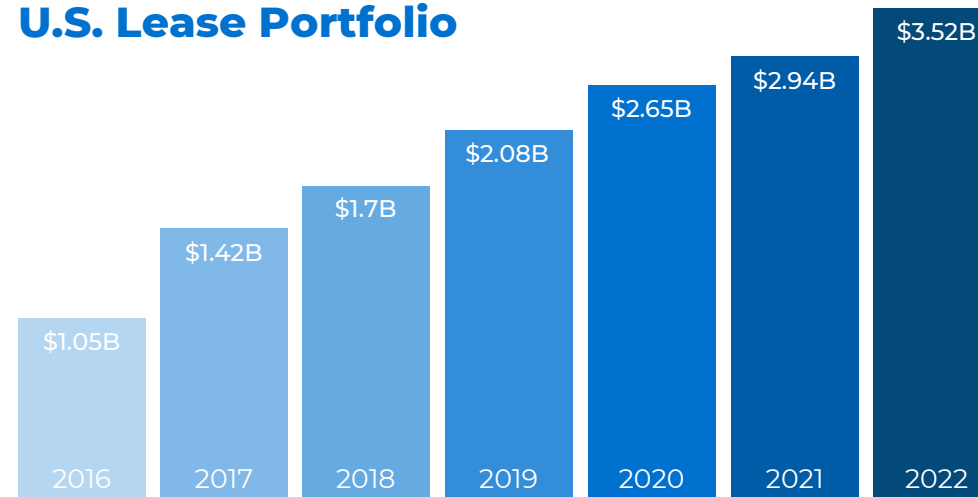
*Financial*  
STRENGTH &  
STABILITY

# 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
- 2022 | 13<sup>th</sup> consecutive year of record-breaking originations

## U.S. Lease Portfolio



### City National Bank (\$USD)

Q1/2023<sup>1</sup>

Assets	\$95.9B
Credit Rating	Moody's A2

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

### RBC (\$CAD)

Q1/2023<sup>2</sup>

Assets	2.08T
Credit Rating	Moody's Aa1

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

<sup>1</sup> City National Bank Financial Highlights as of 1/31/2023

<sup>2</sup> RBC Financial Highlights as of 1/31/2023

# COMMONLY FINANCED PROJECTS AND EQUIPMENT



## Energy Conservation & Deferred Maintenance

- ✓ Campus renovations
- ✓ HVAC
- ✓ LED lighting
- ✓ Energy efficiency upgrades
- ✓ Boilers & chillers
- ✓ Campus vehicles
- ✓ Life-safety improvements
- ✓ Campus vehicles
- ✓ Roofing repairs



## Campus Enhancements

- ✓ Fitness equipment
- ✓ Stadium scoreboards & turf
- ✓ Scoreboards
- ✓ Library & dormitory furniture
- ✓ Refrigerators & microwaves
- ✓ Door access systems & security cameras
- ✓ Furniture, fixtures & lighting



## Technology & Network Equipment

- ✓ Student & faculty devices
- ✓ Wi-Fi equipment
- ✓ Servers and storage
- ✓ ERP software (e.g. SIS, HR, Finance, etc.)
- ✓ Classroom AV
- ✓ Network infrastructure & security
- ✓ Video & streaming equipment
- ✓ Telephone systems

# AUDIENCE QUESTION

---

**Has your institution created any leadership positions as part of its digital transformation efforts?**

# AUDIENCE QUESTION

---

**Is your CIO a cabinet level position?  
If not, who do they report to?**

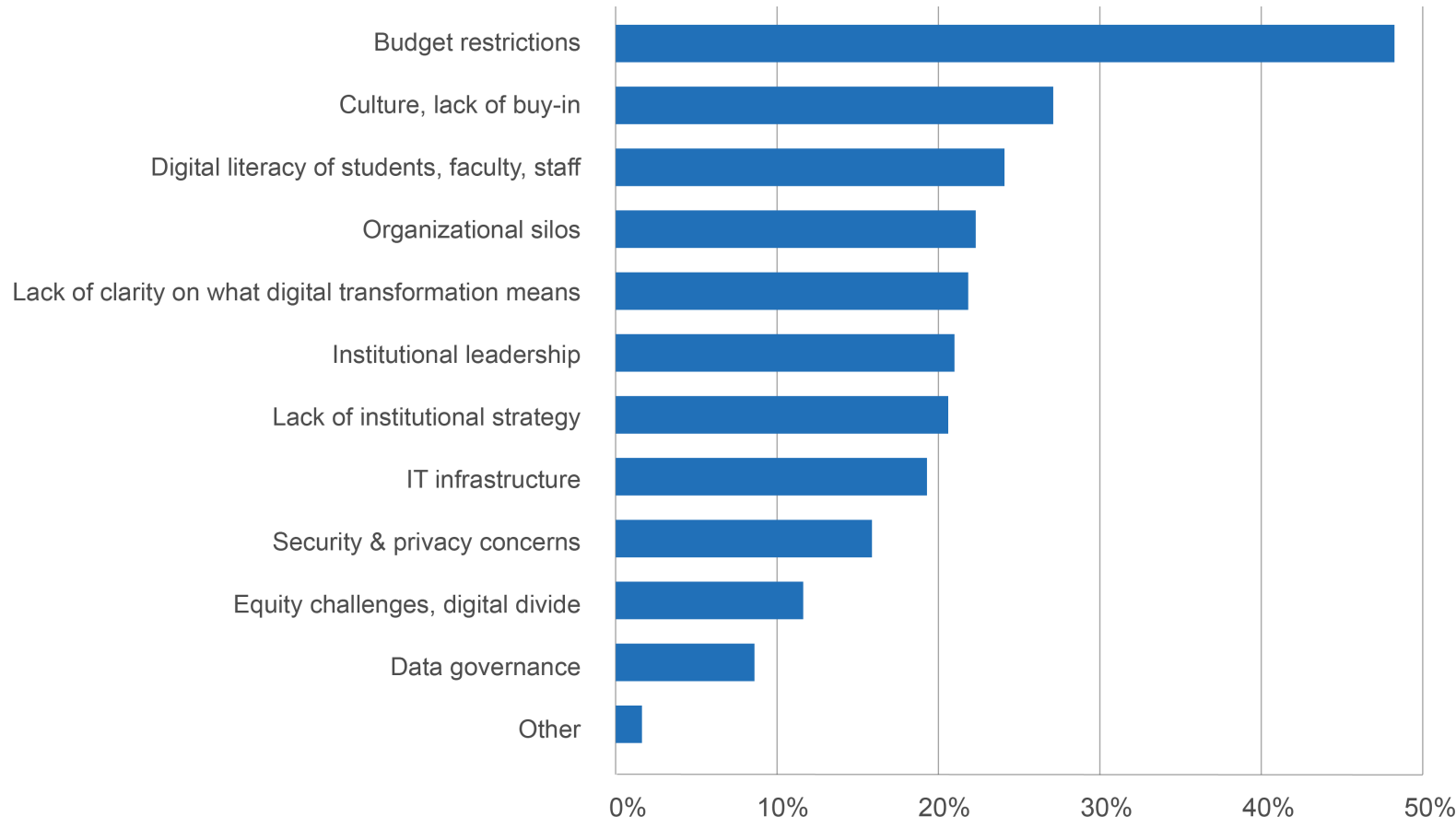
# 63%

of leaders say COVID-19 made their organizations **embrace digital transformation sooner** than they had expected and were making **greater investments in technology** as a result.





# What are your biggest obstacles to digital transformation?



Fewer than **2/3**

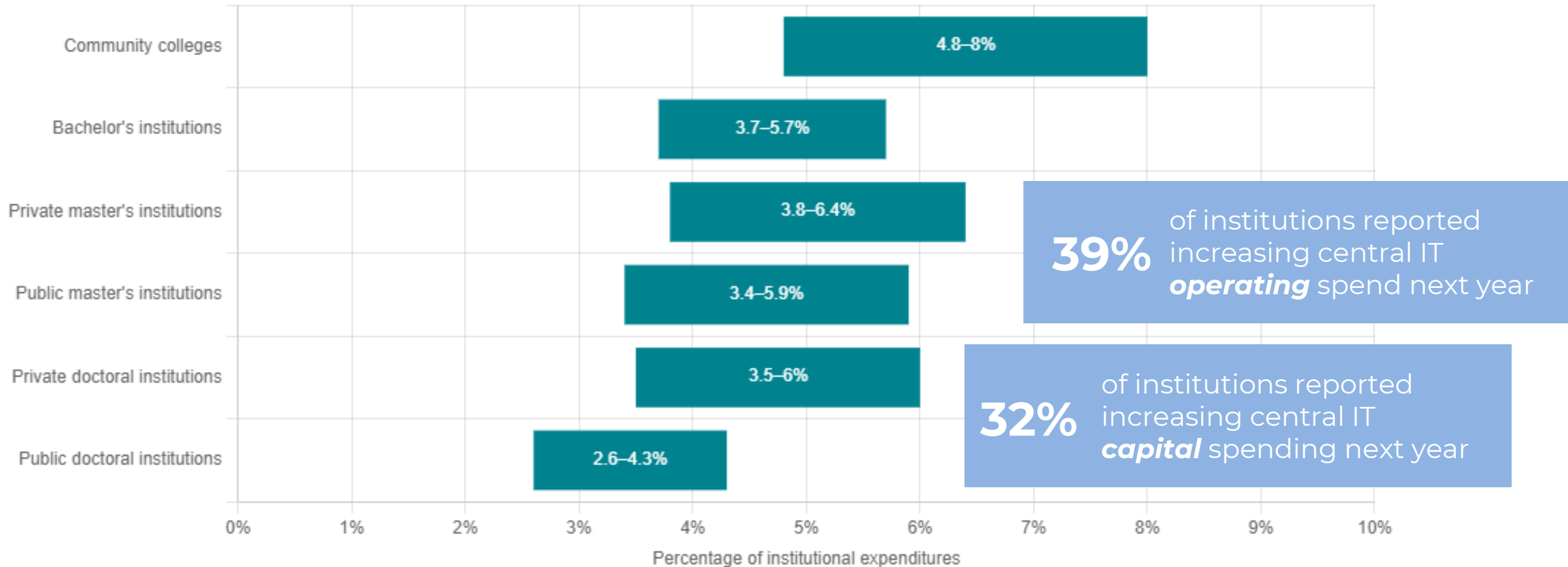
of CIOs say their institutions have set specific goals for making their institutions more digitally focused.

---

**65%**

of those believe insufficient financial investment is the biggest obstacle

# Central IT spend as a % of institutional expenditures



# Central IT Spend per Student FTE



Financing for  
**What's Next**



# Investment in Technology

## FLEXIBLE WORK ENVIRONMENTS

**62%**

of higher education CIOs  
say they're struggling to  
retain employees

**53%**

say more flexible  
remote/hybrid work policies  
are the most commonly asked  
questions now when hiring

Financing for  
**What's Next**



# Investment in Device Replacement Standards

## CYBER SECURITY

Last year,  
more than

**1,000**

schools in the United States fell victim  
to ransomware attacks

Financing for  
**What's Next**



**Investment in**  
**Resource Accessibility**

# ENTERPRISE ACCESS

Financing for  
**What's Next**



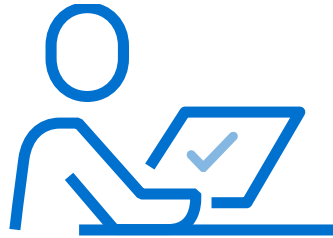
**Investment in**  
**Integration Capability**

# THE STUDENT EXPERIENCE

# New Needs → New Trends → New Investment



Flexible work  
environment



Enterprise  
access



Cyber  
Security



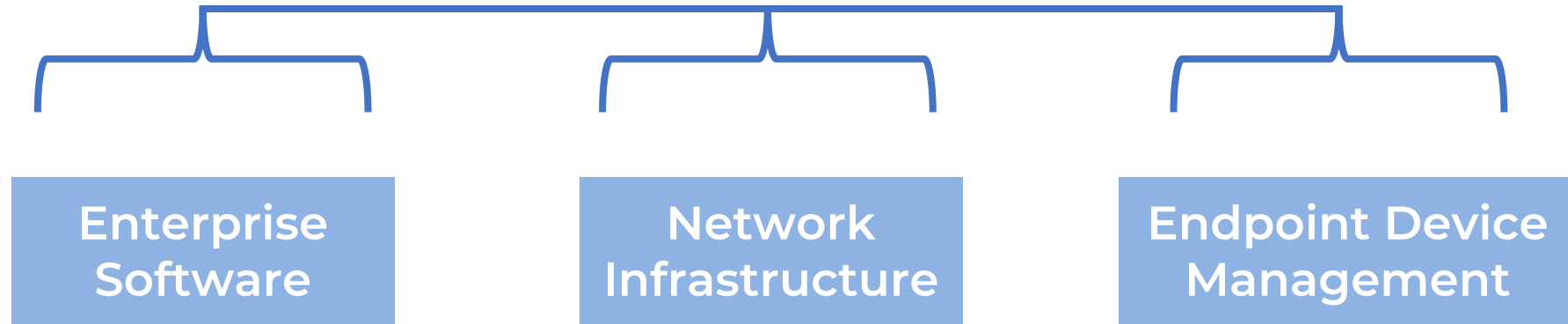
Student  
Experience



# DIGITAL TRANSFORMATION



## DIGITAL INFRASTRUCTURE



# Institutional Objectives for Digital Infrastructure

## Address aging digital infrastructure

- ✓ Reduce upfront investment
- ✓ Promote a consistent refresh cycle
- ✓ Outsource deployment and recovery services

## Transition technology from CapEx to OpEx

- ✓ Align useful life and expenses
- ✓ Develop a framework to maintain the budget investment

# Asset Deployment Services

- Asset tagging and create reports to import into your asset management system

# Asset Recovery Services

- Onsite inventory and audit (model and qty)
- Pack and ship services
- Data-erasure and reporting (on or off-site)

# Institutional Objectives for Digital Infrastructure

## Address aging digital infrastructure

- ✓ Reduce upfront investment
- ✓ Promote a consistent refresh cycle
- ✓ Outsource deployment and recovery services

## Transition technology from CapEx to OpEx

- ✓ Align useful life and expenses
- ✓ Develop a framework to maintain the budget investment

# ENTERPRISE SOFTWARE

## Implementation Solutions

- ✓ Step payments to smooth out cash flow while maintaining legacy system with new system expenses
- ✓ Align these costs with the useful life of the new ERP system over a longer term
- ✓ Leveraging a Master Lease Agreement that is easy to execute, quick to fund, and has additional use on campus

**Strategy:** Align with Useful Life

## Success Story:

Le Moyne College (NY)



# ENTERPRISE SOFTWARE

## Licensing Opportunities

- ✓ Multi-year license discounts (3-5 years most common)
- ✓ Discounts are often greater than the cost of financing, driving savings back into your budget with the use of strategic financing solutions.

**Strategy:** Early Payment Discount

**Success Story:**  
Stony Brook University  
(NY)



# NETWORK INFRASTRUCTURE

## Accelerate Campus Priorities

- ✓ Avoid technology obsolescence with a strategic plan for upgrades
- ✓ Provide for various modalities of learning and greater connectivity

**Strategy:** Create Predictable, Consistent Budget

**Success Story:**  
Juniata College

# END-USER DEVICE MANAGEMENT

## Device Standardization

- ✓ Eliminate technology obsolescence and reduce cyber security risk
- ✓ Determine device specifications per user group
- ✓ Reduce burden on IT staff with asset management services

**Strategy:** Outsource end-user device services

## Success Story:

King's College



# CLOSING WORDS & THANK YOU!

With the financing tools discussed today, we can help you *sustain* the investments you've made in digital infrastructure by aligning the useful life with expense

Scan the QR code to  
schedule a brief  
follow-up discussion  
with Matt Rankin



# SOURCES

[Campus Technology, IT Trends: \*\*14 Technology Predictions for Higher Education in 2023\*\* by Rhea Kelly, 1/12/23](#)

[Campus Technology, IT Trends: \*\*Digital Transformation for the New 'Now' in Higher Ed\*\* by Rhea Kelly, August 1, 2022](#)

[Celerity, \*\*What We Know Now: The State of Digital Transformation Today\*\*](#)

[Inside Higher Ed, \*\*The State of Higher Ed Technology: A Survey of CIOs\*\* by Doug Lederman, October 25, 2022](#)

[EDUCAUSE Core Data Service, \*\*Interactive Almanac for 2021\*\*](#)

[EDUCAUSE Review, \*\*Top 10 IT Issues, 2023\*\* by Susan Grajek, October 31, 2022](#)

First American Commercial Bancorp, Inc. is a wholly-owned subsidiary of City National Bank. Deposit products and services are offered by City National Bank Member FDIC. City National Bank is a subsidiary of Royal Bank of Canada. All trademarks are property of the respective owners. Additional terms apply and can be found by visiting [faef.com/terms](https://faef.com/terms).

© 2023 First American Equipment Finance. All rights reserved.

