

Matt Frankel

Global Head of Pay-Per-Use Solutions at DLL

When you say that the funder manages the value distribution between players, does that mean DLL will also manage the billing, payment collection, contracts?

DLL have the capability to manage the billing, collection and distribution of funds according to agreed schedules.

Matt, how do you approach risk management with your clients? Do you teach them how to do it? Do you do it to protect your interests as the funder? Or do you find a partnership approach?

DLL analyses end-user credit risk and utilization patterns and risk using proprietary models. We rely on partners to understand performance and operational longevity risks related to the equipment and we collaborate to price the transaction.

Dear Matt, have you had experiences with companies proposing advanced services to their customers and asking for your/DLL's support, which prompted you to say: "no, we can't get on board of this." as they seemed too risky or whatever: what are show-stoppers for you? thanks for the great presentation

Yes, we have specific criteria around industry, asset class, use case and customer qualification. Geography is also a factor as local laws and customs can have a significant bearing on the possibility for success.

Great presentation! Are you aware of models by which lease arrangements can map onto the 'by the hour' concept?

Some lease transactions today can become pay-per-use tomorrow. We have specific criteria around industry, asset class, use case and customer qualification for pay-per-use that is different from traditional leasing.

Are you getting involved as funder in the transformation?

We are actively working with OEM's and also some service provider partners to design servitized business models supported by pay-per-use, subscription and as-a-service contract structures. We provide a range of services including consultation, product development support, funding, contract management and asset management.

Great presentation. Who should lead/govern the ecosystem?

Generally speaking, we believe it is most sensible for OEM's to lead the ecosystem as the wholistic product-service offering needs to originate there and ultimately, we believe this enables the circular economy benefits of advanced services. Also, the product-service should be branded under the marque name which is almost always the OEM.

Is there a conflict between the financier and the end-customer that wants to reduce all the risks involved in outcome based services?

I would say there is a natural tension, especially for OEM's who are just embarking on the advanced services journey and still see the world through a linear economy lens. Once the lifetime risks and total rewards become more clear, then the parties can reasonably sort out who is best suited to take on the various risks and how to value them.