

Internet Based Lease Accounting Software: Creating Operational Efficiency While Crunching Numbers

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The leasing industry is yet to significantly harness the powers of the Internet. Despite the hype, the web enabling of the leasing process has been sporadic at best. While the industry has already taken to the Internet's obvious convenience for credit scoring and front-end application processing, a larger and perhaps a more significant impact on productivity has yet to be realized. The advent of the lease life-cycle management model can realize this untapped potential for productivity and, if implemented well, can even directly enhance profitability. Online lease management and accounting software certainly has the makings of a paradigm shift in the lessor's approach to the lease accounting software. More specifically, it holds enough promise to replace the client/server model just as the client/server model itself dethroned the main frame.

The Benefits of an Internet Model based Lease Management System

To implement, the Internet model is much simpler than its client/server based counterpart, demanding nothing more than a secure Internet server on which the lease accounting software and database reside. Each of the limitless number of computers accessing the server can run any operating system, be it Apple Macintosh or Windows 2000, with nothing more than access to the Internet. By inference, the type of Network and the leasing software's compatibility to it no longer matters. Even the physical implementation of the network itself, in laying down the wiring and connections, becomes redundant when any authorized computer belonging to any authorized user, is part of the virtual network. In this respect, especially for lessors with multiple operations in different locations, the model used in the lease management software is a boon that takes no more significant effort to tie two computers into its virtual network as it does 2,000. Even training employees to use the lease accounting software becomes easy when there is one standard program worldwide. This immediate scalability and operating-system/network-independence of the leasing software model makes it possible for lessors of all sizes to experience IT benefits unknown in the client/server world.

It would seem that today's nascent Internet technology compromises the functional power of the client/server model in their leasing software; complex algorithms required to amortize income or calculate yields appear hard or even impossible to replicate on a browser. Fortunately, however, with the growing sophistication of Internet developmental platforms such as Microsoft's Active Server Pages, Internet applications run a tight race with client/server technologies. The Internet based lease accounting software enables yields and depreciation schedules to be calculated with the same click of a button. The lease management software facilitates reports to be sorted, filtered and queried to obtain any conceivable information available in the database. Income, IDC and residual can be accrued, blended and separated, just like they are in client/server systems.

Not surprisingly, even technology as complex as an Enterprise Resource Planning system, simultaneously used for solutions from global car-manufacturing to domestic chemical-production, runs on Internet-based applications today similar to the internet based lease accounting software. Leading ERP vendors including SAP, Oracle Financials and PeopleSoft, for instance, have tried and tested success stories of highly versatile and complex system that are browser based. "Lease Management Software", says Jay Mehra, COO of Odessa Technologies, Inc., "though sophisticated in its own right, can quite easily be implemented on the Internet." Despite the complexity, therefore, the functional powers of traditional models are easily captured in Internet-based applications.

Functionality of the Internet model and the Lease Management Software

While functionally the Internet application is interchangeable, its differentiating quality lies in its approach to data. By the very nature of their technology, client/server systems typically just crunch numbers. A good Internet based application, on the other hand, maximizes the value of that data, in addition to maintaining it. This translates into a direct value-add for the lessor's operational efficiency. Sales staff can, for instance, be allowed to access the leasing software from anywhere they can connect to the Internet. During negotiations, they can obtain historic information about the lessee to make informed decisions for new business opportunities through the lease management software. The traditional one-way pipelines of data delivery thus become forums for information exchange.



The Internet model creates operational productivity by strengthening existing relationships.

Equally important, as shown by the diagram above, the new channels of Internet-driven communication can now enhance the lessor's external relationships. Odessa Technologies, developer of a wholly web-based Lease management and accounting software, uses a series of independent web sites that ties the lessor with its various business partners. Through their lessee web site, lessees can get online help, access important account information, download invoices and even make secure Net payments enabled by the lease management software. Moreover, by leveraging the critical data residing within the Internet application, the lessor can even customize business promotions based on the individual lessee logging onto the system. Far from being just a tool that manages a part of the leasing business, lease management software thus becomes a way of conducting and even marketing the business. Through the Internet model the leasing software is able to bring about new sources of productivity, both direct and implied, are thus created from business relationships that are fuelled by information flow.

LeaseWave - A new Wave in Lease Accounting Software

While the advantages of Internet-based applications are obvious, there is a conspicuous absence of such technology in the leasing industry. It is this gap between the ideal technology and what is typically available that Odessa Technologies, Inc. is fulfilling. With the release of LeaseWave©, a technology built entirely on Microsoft's Internet platforms, Odessa brings the lease management process online. Through LeaseWave© and technological collaborations with companies such as CapitalStream and Ivory Consulting, the company offers a comprehensive solution that is entirely Internet based by way of the lease accounting software. LeaseWave©, at its core, provides for complete asset management and lease accounting functionality, allowing the lessor to efficiently manage any number of lease portfolios in the leasing software. Beyond this core, LeaseWave© provides a series of interactive web sites that connects the lessor with business partners including lessees, funding sources, auctioneers and banks via the lease management software. Each line of communication in the lease software employs secured socket layers for complete security and is even e-commerce enabled, allowing for secure online ACH and credit card payments.

It is common knowledge that front-end systems, such as CapitalStream's CapitalStream - FinanceCenter™ are already leveraging the powers of the Internet. The efficiencies that they have realized, however, represent only the beginnings of a greater change. Still to be tapped are the efficiencies of large data-rich back-end processes. The web-enabling of lease management and accounting software, by companies such as Odessa Technologies, is a step towards this efficiency-realization. As Internet technology seeps into the back-end, the leasing industry stands to experience a rare paradigm shift: one where the technology drives the process rather than being driven by it.

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