

CASE STUDY

A large, semi-transparent teal image of an Airbus helicopter dominates the background. The helicopter is shown from a side-front perspective, with its main rotor blades blurred as if in motion. The word 'AIRBUS' is visible on the side of the fuselage. The overall image has a teal color cast.

HOW LCI IMPROVED CREDIT EFFICIENCY BY 80% USING WISERFUNDING

“
Since onboarding Wiserfunding as a management and decision making tool, our turnaround time dropped from a week to a single day. The reliability and consistency of their reports enables faster, better conversations that create confidence in our decisions.

Praveen Vetrivel, CFO @ LCI

LCI is a leading aviation company that provides leasing services to airlines, freight carriers and helicopter operators including British Airways, Singapore Airlines, Air France, and Babcock. Since its inception in 2004, LCI has undertaken in excess of \$8bn of transactions in the fixed-wing, helicopter and advanced air mobility markets. Today, LCI operates a fleet of over 160 helicopters and fixed-wing aircraft, with an additional 125 on order.

Objectives

LCI's team knew they needed to implement a credit risk solution that would:

Support them as they tripled their portfolio

Reduce the time required to screen potential customers

Generate a user-friendly, standardised risk report that could be interpreted by everyone

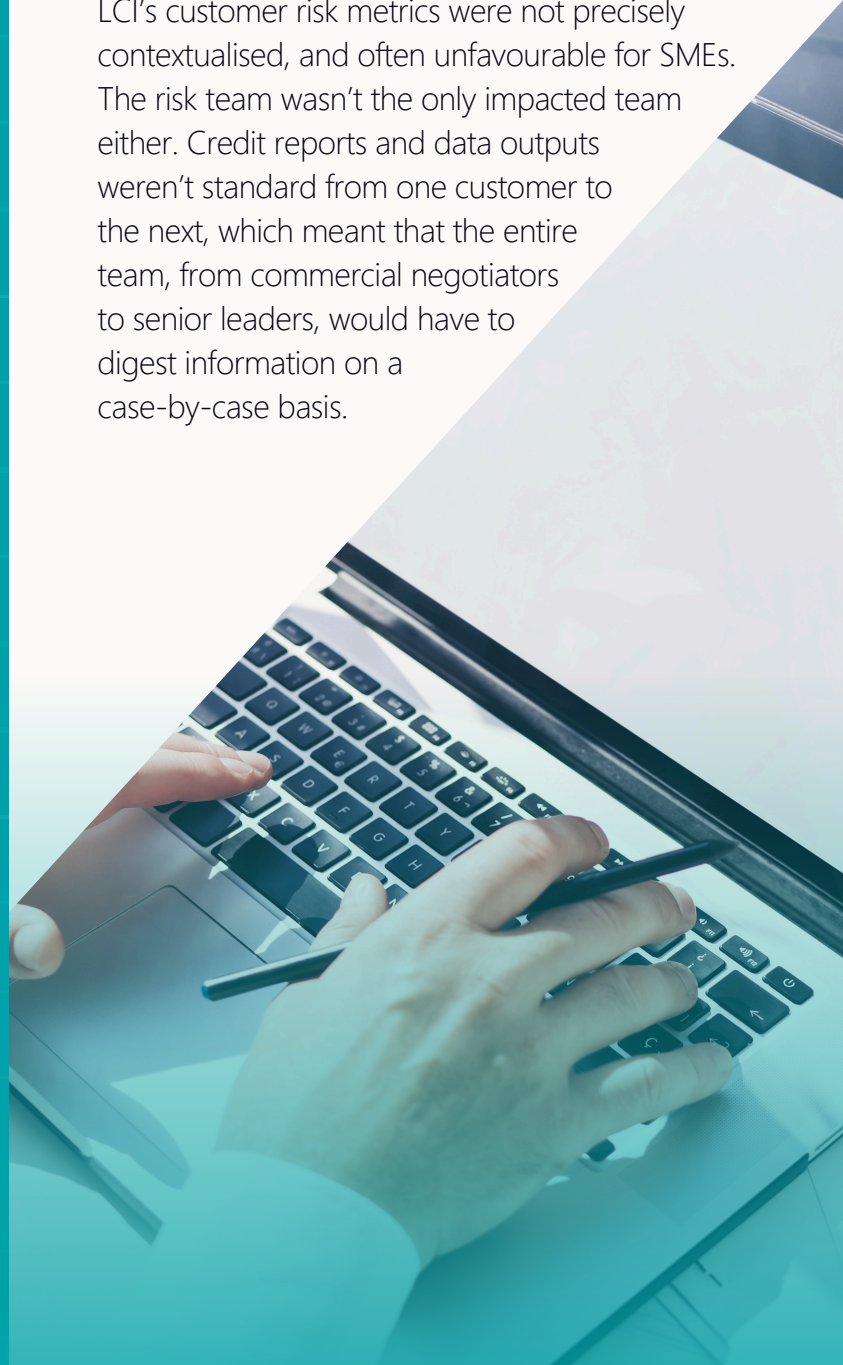
Drive alignment amongst all teams by reducing uncertainty in the risk analysis process

Gain confidence in the quality and accuracy by implementing an SME-specific risk assessment tool

The challenge

When LCI was preparing to more than triple its portfolio of customers and aircraft, it required a credit tool that would enable efficient, effective evaluation of customers at scale. To screen every inbound prospect, their existing credit risk assessment process involved manual entry to generate a risk report, which was then compiled and analysed in spreadsheets.

There was an additional challenge: credit benchmarks available through their existing ratings tool lumped SMEs in with blue-chip corporates, so LCI's customer risk metrics were not precisely contextualised, and often unfavourable for SMEs. The risk team wasn't the only impacted team either. Credit reports and data outputs weren't standard from one customer to the next, which meant that the entire team, from commercial negotiators to senior leaders, would have to digest information on a case-by-case basis.



Powering LCI's scaling ambitions

Rapid screening for potential customers

Given the capital-intensive nature of the aircraft leasing business, LCI required an SME-specific quantitative risk assessment of every potential operator who wanted to lease from their fleet. These quantitative risk assessments provide essential inputs that anchor their qualitative legal risk assessments and support their commercial negotiations.

Using Wiserefunding's platform, LCI's commercial team gathers essential data about the lead and uploads a single datasheet into the platform. Within seconds, Wiserefunding generates a holistic, standardised risk report. LCI's commercial team then use the applicant's SME Z-score, Probability of Default (PD), and Bond Rating Equivalent (BRE) to decide whether to progress the candidate to the next stage of evaluation.

Enabling accurate, transparent negotiations

Aircraft leasing contracts always involve a negotiating process that tailors the lease terms to the operator's risk profile. Since so much of the risk assessment can be qualitative, the negotiation process can become tricky for commercial negotiators who have less insight into the risk assessment.

LCI's commercial team uses Wiserefunding risk metrics to complement the wider commercial picture in determining the risk factors and terms of the lease.

Commercial negotiators all have access to the same, user-friendly risk reports, so they can always transparently justify negotiating terms for their customers.

Embedding trust in the credit process

Many of LCI's customers are niche or non-listed SME operators, which means that previous risk assessments were often aggregated across different inputs, non-standard data sources, and benchmarks based on blue-chip corporates. Internally, this approach created uncertainty which meant that decision-makers often spent unnecessary time reviewing the accuracy and integrity of the underlying credit modelling assumptions instead of focusing on the decision itself.

Now, Wiserefunding's platform has become a trusted source of truth that eliminates the need for back-and-forth exchanges. In particular, the SME-specific benchmarks more accurately reflect the nuance of smaller businesses, giving the team greater confidence.