

Executive Interview Series

A Supplement to the First Annapolis Navigator

A Conversation with Vicki Turjan, President, Versatile Credit, Inc.



We recently had the opportunity to connect with Vicki Turjan, President, Versatile Credit, Inc. In this Q&A format, we discuss Versatile's core offerings, its evolution in the retail market, and the scope of the company's specialized merchant lending relationships.

A lifelong resident of Pennsylvania, Vicki received her Bachelor's degree in Economics from the University of Pittsburgh and her MBA from St. Francis University. With an almost 20-year history with the company, holding various operational roles, she has witnessed both the growth of the Company itself and the process of having consumer finance evolve into a sales differentiator.

She was named one of Pennsylvania's top Women in Business for her accomplishments in technology. With a strong belief in the expertise and dedication of her team, she is committed to seeing Versatile Credit as a financial success and a dynamic and fun place to work. Prior to this role, she served as the CFO of Versatile Systems Inc., a Canadian public company headquartered in Vancouver, BC.

Versatile Credit is a software services company that links consumers with extraordinary lending partners in order to drive more credit applications, higher approvals, and higher sales. With some of the top retailers in the U.S. as customers, the Versatile Credit platform is delivering proven results and offering consumers an exceptional experience. For more information, visit www.versatilecredit.com

1. What is Versatile Credit's core service offering and value proposition to the retailers?

Versatile Credit offers an in-store managed service designed to link consumers directly with finance companies. Versatile's solution is unique in that it delivers a customer-facing, self-service experience which empowers the customer to drive the process of obtaining a lending option. This approach overcomes the two most common problems reported with today's paper-based or employee driven application.

1. Sales associates don't like asking customers for personal information or telling them they were declined. As a result, financing is only offered if the customer specifically requests it.
2. Customers are more concerned than ever about protecting their identity. As such, they are more likely to apply if they are in control of their information during the application process.

Versatile's Credit Cascade feature allows the retailer to present multiple financing options as a single streamlined application. Customers declined by the prime provider can submit their information to a second-look or no-credit-required provider with the click of a button.

For the retailer, the solution requires nothing more than a relationship with the lenders of their choice and a connection to the internet. It is effective in simplifying the application process and driving more sales.

2. What is Versatile's history? How has your solution evolved over time and how has adoption and growth played out?

Founded over 20 years ago, the origins of the company lie in providing secure enterprise level computing solutions to Fortune 500 companies. Complementing our suite of hardware solutions, Versatile began to develop customized software solutions for their clients. With a solid reputation for delivering robust solutions across various verticals, we were presented with an opportunity in the lending/banking space. Originally developed in 2004 for a single lender, the platform was unique in that it was designed to be customer-facing. Also new was Versatile's notion that the credit approval process should occur prior to product selection. As simple as these two concepts were, deploying a kiosk in this manner generated remarkable results for both retailers and customers. Credit applications soared by 20%, denials decreased by up to 40% and ultimately sales increased by up to 30%. As the word spread, new lenders were added to the platform to provide retailers with the financing flexibility their customers required. Versatile now has 23 active lending partners available to retailers.

In 2016, as a complement to their traditional kiosk solution, Versatile launched the Versatile Web Credit Cascade, a web-based version of our traditional offering. Eliminating the need to invest in specialized kiosk hardware, the full power of the service can be launched from any web-enabled device owned by the retailer. This offered a lower cost option for retailers wanting to use customer-facing PCs and tablets already deployed in-store.

3. Where does Versatile fit with respect to a merchant's lending relationship(s)? Is your solution designed solely for the retailer with multiple lenders?

Versatile is not a lender but rather a solution provider that offers a tool to simplify the application process in order to convert a shopper to a buyer. In fact, we are agnostic as to which one of the lenders on our platform is being presented. Retailers contract directly with the finance companies that offer the best fit for their business. Historically, retailers found value presenting only a single prime financing option. As the retail finance industry matured and the products being offered were expanded to serve a broader customer base, a solution was needed to tie them all together. Deploying the Versatile Credit solution does just that and acts as a key sales tool on the showroom floor.

4. What type of merchant (e.g., size, average ticket, retail segments) tends to find the most value in Versatile's solutions?

Any retailer that offers financing or who has customers that are asking for broader financing options than currently available will benefit from the Versatile Credit Cascade Service. We currently support retailers in the furniture, mattress, flooring, jewelry, appliance, auto, and outdoor equipment segments. If the retailer offers consumer financing, Versatile Credit will deliver positive results.

Ultimately, merchants who partner with Versatile Credit see improved efficiency in their sales process and higher sales volumes. Versatile's technology keeps sales professionals focused on selling, improves the customer experience, and ensures financing is offered to all prospective shoppers. Each of these attributes is good for business and promotes the opportunity for repeat customers.

5. What are the key issues the retailers should consider as they evaluate Versatile against alternative solutions including the traditional credit provider relationship?

- **Impact to internal resources:** Self-service frees up a retailer's staff to sell and eliminates the potential for uncomfortable denial conversations.
- **Ease of implementation:** A turnkey solution in which Versatile handles the entire configuration. A retailer can be up and running in minutes!
- **Flexibility of lenders and their products:** There is no need to invest in another platform if a retailer decides to change lenders. All lenders changes are completed remotely upon request.
- **Cost:** With an easy to understand pricing model that requires no capital expenditure Versatile Credit quickly delivers a strong ROI.

6. How do you see credit changing in the years ahead?

Only a few years ago it was not uncommon for a retailer to offer a single financing option to their customers. Today, regardless of their primary target demographic, retailers are increasingly offering multiple financing options that cover a broad spectrum of credit scores or worthiness.

Historically, retailers held a predetermined view of their customer and their associated financing needs. With increasing competition, they realized, however, that their customer base may be more diverse and therefore require a variety of lending products. Merchants became less sensitive to the notion there was a stigma associated with offering multiple finance options, from a prime credit down to a lease to own based solution. They recognized that offering comprehensive credit options demonstrated their commitment to providing shoppers with options that helped to earn their business. Offering multiple financing options equates to good customer service and can be a competitive advantage over other retailers.

Additionally, credit is playing a larger role in verticals that historically weren't widely served. Niche lenders have entered underserved markets with products specifically designed to make it easier for consumers to execute a transaction. The requirements of an automotive service provider differ from those offering furniture. Applying traditional cascade type financing principles to non-traditional markets, especially in the area of services, will continue to see strong growth.

Lastly, limiting access to and protecting sensitive consumer information will continue to be a focus with financing providers. Lending institutions will drive retailers to better safeguard customer information and move away from unsecure paper processes. They will require and enforce procedures that ensure retailers are presenting the most accurate disclosures and adhering to the rigorous compliance regulations.

Versatile Credit understands the direction in which the industry is heading and is committed to providing solutions that deliver the necessary levels of security and compliance, while at the same time, supporting retailers in their efforts to deliver a consistently positive purchasing experience.

7. Comment on implementation and integration considerations for a retailer that may be interested in Versatile. How much integration effort can a retailer save by using a platform like Versatile versus integrating lenders directly to their POS and IT systems?

There are three very distinct benefits from deploying the Versatile solution as opposed to implementing a POS integration or a solution provided by any one of a retailer's finance partners.

First, deploying the Versatile solution is quick, easy, and dependent on nothing other than power and internet connectivity. Unlike cumbersome POS integrations that can represent a substantial investment and take months to install and configure, a Versatile kiosk can be up and running minutes after it is received. All the support, lender configuration, and software updates are handled remotely by our team, so there is no need for the retailer to have an IT person on staff.

Second, a customer-facing solution is more effective than an interview style process driven by store personnel. Empowering the customer to control the application, enter their own sensitive data and conscientiously make the decision as to whether or not they want to go forward to the next lender in the cascade is critical to success and more in line with today's culture. We also know customers declined by the first financing provider are far less likely to consider additional options. The pressurized selling of finance products is uncomfortable for all parties involved and can be a deterrent to completing the sale.

Third, having a solution that is independent from any one of the finance partners gives the retailer the ability to make changes as their business evolves and the consumer finance market changes. In the competitive retail market, flexibility is key in all aspects of business and consumer financing is no exception.

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