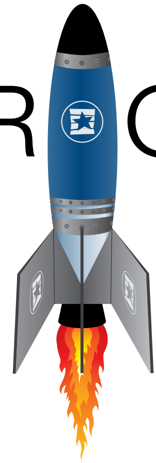

ROCKET YOUR SALES INTO THE FUTURE

TIPS FOR CLOSING SALES WITH FINANCING

#1 **Ask your customer questions to find out if they should buy or finance new technology.**

Where else can you use your cash or credit lines?
Your customer can likely put their cash to better use within their business by hiring a new employee, investing in marketing, applying cash to future company growth, or setting it aside for an emergency. If your customer doesn't have a spending need in any of these areas, they should use cash to purchase technology.

Are you prepared to make another large cash purchase to upgrade your system in 3-5 years?
Phone and IT-based systems don't last as long as they used to since they rely more and more on software applications. Technology is evolving quicker than ever, making new purchases quickly outdated after just a couple years. If your customer pays for their technology on a monthly budget, you can upgrade their system in a couple years with the same monthly payment.

#2 **Financing is not just for large enterprise or cash-strapped companies.**

According to the Equipment Leasing & Finance Association, 7 in 10 businesses in the U.S. use some form of financing to acquire equipment (excludes credit cards). Financing provides benefits to businesses large and small.

#3 **Financing can help you increase your margins.**

GreatAmerica works with many solution providers who use financing to increase their margins. Offering a monthly payment to your customer can help avoid sticker shock and reduce negotiating. Bundling services, such as risk of loss coverage and maintenance programs will increase the value in the monthly payment. When offered financing, an end-user is more likely to upgrade and make a larger purchase.

#4 **Different financing structures have different benefits.**

$1 buyout, Fair Market Value, and rental agreements are the most common financing agreements. Our most successful Solution Providers use our rental program because of its operating expense benefit as well as an increased rate of upgrades.

#5 **Section 179 can boost the benefits of a $1 buyout agreement.**

A $1 buyout agreement qualifies for favorable tax treatment under Section 179. Depending on the Section 179 expense limit, your customer may take the full depreciation of the equipment in the first year. It is the same benefit as a cash purchase, but without the large capital expense. Consult a tax advisor for the specific situation.

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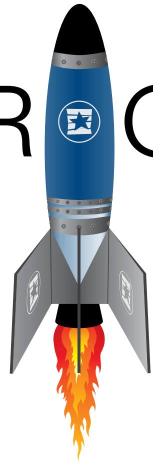

ROCKET YOUR SALES INTO THE FUTURE

TIPS FOR CLOSING SALES WITH FINANCING

#6

Use a rental agreement to sell against a hosted or cloud competitor.

Much like a cloud or hosted solution, a rental agreement is generally considered an operating expense, which allows the assets to act as a day-to-day expense. Many companies prefer not to have their capital tied up in equipment when they could be using it for revenue-generating activities. Check with your accountant to see which benefits you qualify for.

#7

Financing can help you upgrade more customers.

Technology is evolving and depreciating at an accelerating pace, which is really to your benefit. Getting your customer on a finance program such as FMV, $1 buyout, or rental will set the stage for future upgrades. The chances of upgrading decreases when your customer buys with cash.

#8

You can add equipment to your customer's agreement throughout the term.

Adding equipment to the lease anytime during the term is simple. Add-ons can be folded into a payment and scheduled to end on the original end date of the agreement. When a large amount is added, it can make sense to extend the term to keep the payment lower.

#9

The lowest lease rate isn't always the best.

Make sure you understand what is and is not included in a low rate. Many banks and financial institutions have hidden fees in their finance agreements. Fees can include automatic renewal payments (some up to a year), fees to process taxes, interim rent, and inflated fair market residuals. Before making a decision, read through the proposed finance agreement and be sure your customer is not surprised with hidden fees.

#10

Financing will help you sell more maintenance contracts.

Many solution providers make the mistake of pitching two sales to every customer. The first sale is for the technology, probably for a cash price. Then if they agree, they are making a second sale for the maintenance contract. Avoid the hassle of two sales by bundling the equipment and service into one monthly payment.

#11

Financing is a great way to differentiate your company.

Financing can help you become a total solution provider and tailor your sale to the way your customers buy. Offering a monthly payment that includes new equipment and service will increase your value proposition. Additionally, freeing up your customers' cash may make them more profitable and more likely to view you as a trusted business advisor.

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