

## BENEFITS OF LEASING WHO LEASES?.....AND WHY?

80% of American companies, including 65% of the Fortune 1000, use leasing to acquire computer hardware and a wide assortment of other equipment. Roughly 33% of all equipment acquisitions are financed through leasing transactions. Leasing has long been an accepted part of financing asset acquisitions.

This page is designed to explain the benefits of leasing and assist you, whether you are a user, vendor or sales representative in making an informed judgment as to whether in a particular transaction leasing makes sense, satisfies your needs, and provides you with real benefits.

### **USER BENEFITS**

#### 1. Budget/P&L Considerations.

Eliminate or reduce capital budget approval delays.

Most lease payments can be kept in the operating budget so you don't have to go through a potentially time-consuming capital expenditure approval process.

Improve ROA and ROI measurements.

Off-balance sheet financing (the lease is in the operating budget) and level payments tend to improve ROA and ROI measurements and other key financial ratios.

Obtain competitive financing.

To be successful, leasing companies must compete for business and provide competitive rates to their customers.

Eliminate up-front costs.

ADVANTAGE will finance just about everything, so your upfront expenses should be negligible.

#### 2. Convenience Considerations.

The Advantage lease program is fair and understandable; negotiations are short. Fair, readable, non-legalistic documents with no hidden obligations or payments make life a lot easier for all of us; negotiations are a lot shorter and you get what you need faster.

Lease terms and payment structures can be tailored to meet customer needs. You can obtain one to seven year leases with level payments monthly, quarterly, or even annually. Payments can be easily tailored to specific budget or cash flow needs. You can even get a lease where you vary the payments with your future business requirements.

Easy to subsequently add or upgrade licenses, equipment, and consulting. With a one-page lease incorporating a master lease by reference, a phone call is just about all you need to lease additional items or upgrades.

Usually much faster and easier than a bank line.

Why? Because most leasing companies tend to be less institutional than banks - most of the time.

### 3. Cash/Financing Considerations.

Retain your capital.

We offer 100% financing so there is no down payment and you preserve your working capital.

Obtain a new source of funds.

Leasing often unlocks additional funding sources which look at the asset leased and so often does not affect the availability of your bank lines.

Fixed rate financing.

Financing at current rates means you are not adversely affected by higher interest rates in the future (but you don't get the benefit of future decreases).

Obtain the flexibility of customized payment.

You normally can obtain a payment structure tailored to your unique needs.

Negotiable leasing structures can comply with debt covenants.

Leasing is an inherently flexible tool which can normally be structured to comply with requirements of your loan agreements or other arrangements.

Often better than a bank loan; no compensating balances, no down payment, fast and convenient. True most of the time, but not always. Many factors go into the choice.

### **VENDOR BENEFITS**

1. Increase your sales efficiency; Reduce your sales cycle.

Eliminate or reduce capital budget approval delays.

Capital budgets are a problem in a lot of large companies, particularly when the pace of change makes long range planning difficult. Leasing can often convert an acquisition into an operating expense and shorten the approval cycle.

Offer the convenience of leasing as a sales tool.

Leasing is a major sales tool in many industries, However, many users are not aware they can lease software and so don't ask even when it could be very helpful.

Fast turnaround from Advantage.

Advantage will respond in 2 hours to requests for credit approval or lease rates. We are there to assist you in expediting the sale.

Overcome cost objections.

When the total cost seems too high, payment over time, particularly when it's tied to the period of benefit, often can be a win-win solution for everyone.

Build repeat business.

Makes it easy for your customers to keep ordering from you as their needs grow. The Advantage Lease Agreement with one-page add-on leases allows you to offer to users additional products with minimal financing effort by the user.

### Generate larger individual sales.

When the need is there, but the dollars for total implementation are not, a lease can serve as a means to stretch the dollars. And include multi-year maintenance in the lease.

### 2. Better satisfy customer needs.

#### Relate the payment for the asset to its period of benefit.

Customers often prefer the payment be related to the benefit of the asset. Leasing is one way to do it.

#### Offer both up-front payment and term financing or leasing.

Your customers have different cash flow and budgetary needs. Offer them a choice.

#### Offer a proposal tailored to customer's unique needs.

Leasing is an inherently flexible tool and payments can be easily tailored to specific needs. Payments may be monthly, quarterly, or even annually. Advantage can even provide the customer with a lease where its payments vary with its current business requirements.

### 3. Expand your Customer Base.

#### Offer different leasing programs to different type customers.

The early adaptor and the early majority often require different type leases. And so do large and small customers. Leasing allows you to more easily accommodate the different needs and proactively offer solutions.

#### Make the acquisition of the asset more affordable.

Whether it's a car or software, a monthly payment is always more affordable than 100% payment up-front.

### 4. Improve your competitive and financial position.

#### Become an industry leader by offering leasing.

Industry leadership has many facets; offering leasing is one. You have an advantage over those who don't offer leasing and you neutralize the advantage of those who do.

Using Advantage's financing programs requires no financial obligation on your part. We both invest some time to see if leasing would be advantageous to you and your customers. If it appears to be, we start and there are no minimums or financial obligation on your part.

#### Reduce your days sales outstanding.

Many financial analysts look at Days Sales Outstanding (DSO). Using our leasing programs means you are not carrying long-term receivable and you are increasing your DSO.

## **SALES REPRESENTATIVE BENEFITS**

### Help close the sale.

Leasing helps you overcome budget, cost, cash and other obstacles. It allows you include other costs (hardware, training, installation and customization) in the lease and accelerate your customer's approval and implementation of the project.

### Avoid delay until cash or budgets available.

Capital budgets are a problem in a lot of large companies, particularly when the pace of change make long range planning difficult. Leasing can often convert an acquisition into an operating expense and shorten the approval cycle.

### An immediate sale.

Leasing will allow a user to acquire all needed seat licenses immediately and get all the benefits of full implementation across its operations instead of gradually increasing the utilization to more employees as funds become available.

### Provide a response to price objections.

When the total cost seems too high, payment over time, particularly when its tied to the period of benefit, often can be a win-win solution for everyone. If the customer has limitations on available funds and those funds are not sufficient to acquire the full extent of the software needed to implement a new business strategy, then leasing becomes a viable alternative.

### Facilitate repeat business.

Leasing makes it easy for your customers to keep ordering from you as their needs grow. The Advantage Lease Agreement with one-page add-on leases allows you to offer to users additional products with minimal financing effort the user.

Sell a monthly payment instead of a cash price; avoid "sticker shock". Depending upon the customer and the project, a monthly payment may be a more appropriate sales approach - particularly if special payment variations are needed.

### Upgrades easily available.

Once a master lease is in place, the administrative process to obtain additions and upgrades is simplified.

**And the best news is:**

**YOU CAN START USING OUR SERVICES TODAY!**

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