



10 Tips on how to Use Finance to Close More Sales

Many sales are lost when the equipment sales rep does not offer financing and leaves it up to the customer to figure out a way to pay for the equipment. If their bank says no or they are not aware that you offer a solution that is not only competitive, but tailored to the equipment, you lose control and ultimately force them to reconsider their options.

This loss of control may also cause them to entertain options or proposals from your competition and you've opened the door to potentially discounting price or losing the sale all together because you did not control the process from beginning to end.

Bring up financing early in the sales process.

One of the biggest mistakes a sales rep makes is waiting until the end of the sales process or waiting for the customer to ask if you offer financing. You are wasting time by not bringing it up early and may even discover whether or not your customer can qualify or don't have the cash to pay for it.

The other issue is discounting the price prior to offering the finance program. Any margin you strip out that could be available for promotional finance or structure that may have won you the deal is gone when you have discounted.

Include a payment on every quote.

How many of you use financing as a tool to sell equipment? You should offer a payment on every quote. Generally the fear of a sales rep is not knowing how to answer a question about financing terms. Include a quote on every deal and if customers ask a question you don't want to answer refer them to Advance Acceptance. We are here to help you win and close deals. You do not have to be the expert in this area.

Ask these 3 questions to prep for the sale.

- How long do you plan on keeping or using the equipment? (this gives you an idea of the term to target)
- Do you plan on financing your new equipment? (this opens up the discussion on the front side of the process)
- What do you do with your old equipment? (this lets you know if you need to consider any trade in programs)

Memorize the 36 month or 3 year factor during the sales process.

Knowing this will help you ballpark a payment and get a reaction from the customer to your pricing and affordability. Read the body language and then adjust as needed. You can increase or decrease the term from there to make the affordability fit the customer's rationale.

Sell the payment and program, not the equipment price.

With the promotional programs we have in place and knowing that a majority of the acquisitions are made through the avenue of financing, quote a payment without the need to discuss equipment cost. This will allow you to maintain a higher margin and gives you flexibility to adjust as needed.

Justify the productivity gains or cost savings against the payment.

Don't get caught up in trying to justify the price of your equipment through features and benefits, while completely ignoring a payment to show cost savings and minimize sticker shock. After all, if something can save you money, make you money, or be more productive, isn't that really what the customer is after?

Get a completed credit app before leaving meeting.

This shows a level of commitment from the customer and increases the level of which they intend to do business with you!

Ask this one question to avoid any surprises.

You need to ask the heart to heart questions to gauge your chances of closing the sale. The one simple question pertaining to financing is, "Are there any problems with your credit history that I need to know about or prep the finance company for ahead of time?"

You may be surprised at the feedback you get. Going in with "eyes wide open" is another way of helping you determine if this is a tire-kicker or buyer. If you hear them say, "Well we did have a bankruptcy a couple years ago," it helps set the stage for what may be the end result or determine other avenues to get funding.

Prep customer for financials on larger deals.

One thing sales reps are intimidated by are asking for or letting prospects know they may need to provide financials to get a large deal done. Let them know this request may be coming from the finance company and one or two years of balance sheets/income statements may be requested.

Since Advance Acceptance is a finance arm of First Western Bank & Trust, you can assure them that we are under bank regulated guidelines and regularly review this information. It is easier for them to know what may be coming if you set the stage ahead of time and knowing they are dealing with a bank is also another level of comfort.