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# Your Equipment Vendor Financing Model Is Broken

Here's How to Fix it and Gain  
a Competitive Advantage

Whitepaper Brought to You By Balboa Capital





**It goes without saying that sales are the lifeblood of your equipment vendor business. Regardless of how well your operation is run or how leading-edge your equipment is, you need to meet or exceed your sales goals in order to stay competitive... and stay in business.**

Paper-based applications. Fax machines. Limited financing options. Slow credit decisions and funding. These are the things that can set your equipment vendor business back and make it seem like a dinosaur to customers and prospects alike. To increase your sales, strengthen customer relationships and drive profits, you need to deploy web-based technologies that simplify and accelerate the entire financing process.

This Balboa Capital whitepaper highlights equipment dealer improvement strategies that can open the door to faster financing and transform the way you do business. Also included are tips on how to improve the level of customer service you provide.

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# Times Have Changed, and So Has Sales

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In the not-so-distant-past, equipment vendors could rely on a strong business acumen to help them close deals. The marketing tools of choice consisted of business cards, brochures, telephones and fax machines, to name a few. In today's world, business owners are looking beyond equipment and a sales pitch. They are portals of knowledge who have information about equipment, inventory, pricing and financing readily accessible from their computers, tablets and mobile phones.



This means equipment vendor sales representatives are no longer the primary gatekeepers of information. Business owners can research equipment vendors and evaluate equipment before meeting with a salesperson. In many cases, this can help speed up the equipment buying process. Knowing this, it is very important that you provide your customers with quick, easy and flexible financing solutions. If you don't, you run the risk of losing sales to your competitors.

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# Choose the Right Equipment Financing Company

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Providing fast, hassle-free financing is a great way to set your equipment vendor business apart. Selecting a financing company that works in the equipment vendor space, and that has experience in your particular industry, is an excellent option. There are a handful of equipment financing companies that have programs designed specifically for vendors. Plus, some of them have a variety of tools and technologies that can help you close more deals and provide better customer service. Here are some things to look for in a vendor equipment financing company:

## **Instant Finance Calculators**

When meeting with customers who are serious about purchasing or financing equipment, it is important to provide them with a solution that meets their individual needs. Obviously, cost will be a key factor, so having a convenient financing calculator that provides instant estimates will help eliminate the guesswork.

## **Secure Web-Based Applications**

It's time to make paper-based equipment finance applications a thing of the past and offer your customers an easier, faster option.

A secure online application allows for optimum customer convenience and accelerates the financing process. Applications can be submitted quickly in your office or offsite from any computer, laptop, tablet or mobile phone that has a secure Internet connection.

## **Rapid Credit Decisions**

Your customers don't want to wait long for a credit decision after they submit their finance applications. And thanks to today's web-based advances, they don't have to. Online applications and back-end platforms can be equipped with custom-tailored scoring technology that provides fast, and in some cases, instant, credit decisions. The operational impact of a rapid scoring system can be highly beneficial to your vendor business. Manual paperwork is reduced and/or eliminated, and any credit-related issues can be identified and rectified sooner to increase the chances of your customers obtaining financing.

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# Choose the Right Equipment Financing Company (cont.)

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## Private Label Financing

Providing your customers with private label and co-branded financing can give you the competitive advantage you need. These programs add value and can help increase your sales and make you a preferred equipment dealer. Look for a financing company that offers private label solutions, such as marketing and collateral materials, financing applications and equipment lease documents. You want a financing company that acts as your strategic partner and respects the relationships that you have established with your customers.

## API Integration: The Game Changer

An application programming interface (API) is a set of protocols and tools that allow software from one website to interact with another. Equipment financing companies that provide API integration to their dealer partners are transforming every step of the sales process. Proprietary credit decision software, online documentation and other sales-related technologies can be accessed through API services. This can streamline your workflow, eliminate errors and help you stay competitive.

## Next-Level Sales Management

Having to maintain inventory, work with customers and manage your sales team keeps you busy enough. The last thing you want to do is waste time trying to keep track of your equipment sales. Work with your IT manager or website developer to find out which sales management software is best for your company's specific needs. There are systems available that allow you to manage a variety of sales-related tasks. Another option is to ask your equipment financing company if they offer any sales tools for the vendors they work with. Forward-thinking equipment financing companies have developed robust online sales management systems for their vendor partners.

Today's next-level sales management capabilities include real-time transaction reports and sales reports, year-to-year comparisons, e-Signature integration, private label program compatibility, instant finance quote tools, and online finance applications.

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# Utilize Mobile Sales Technology

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Let's face it: Mobile technology is changing the landscape for businesses of every kind at an incredible pace. The results of a Balboa Capital survey reveal that more than 7 in 10 equipment vendors currently use mobile technology as a part of their overall operations. Equipment vendors indicate mobile technology allows for greater accessibility, faster sales transactions and better customer service.



## Hit the Road

We know that vendor sales representatives spend a lot of time on the road, visiting various customers at their stores and offices. That's why advancements in mobile technology have been a complete game changer, allowing

equipment vendors to close more deals while out on the road than ever before. In fact, 4 in 5 equipment dealers who responded to our survey indicate they conduct over half of their business through mobile devices. This enables vendors to close deals while visiting their end users, making the entire sales process easier and more efficient.

## Invest in the Cloud

Did you know that 76% of equipment vendors we surveyed are currently utilizing cloud-based technologies? If you're not, it's time to make a change. Cloud-based technology allows for a seamless sales process by providing access to everything from data backup to customer relationship management systems. Improved collaboration and sales growth management can also be achieved after moving your vendor business to the cloud.

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# Add Value to Your Service Offering

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Your customers want the best deal they can get, which includes getting flexible financing options. Having an equipment leasing program will be a vital offering to your customers. When explaining your financing options, make sure your customers know the benefits that come with leasing equipment over purchasing it outright. Explain to your customers that financing equipment will allow for more flexibility and, therefore, free up their cash flow with a program specific to their budget.

## Tailor Your Financing Options

Equipment leasing offers many advantages to both you and your customers. Your customers will avoid holding onto outdated equipment, as they will be able to update to newer and more advanced equipment when their lease is up. You will also have the opportunity to upsell through the availability of different packages that include warranties and/or maintenance.



## Section 179 Tax Deduction

Of the many benefits that equipment leasing has to offer, one of the most important ones to note is Section 179. This tax code has helped entrepreneurs and long-established business owners across the country write off a big portion of their equipment and technology purchases, helping them save more cash than before. Become familiar with the Section 179 deduction and mention it to your customers. Doing so might help drive their purchase decisions.

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# Build Relationships with Your Customers

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Building strong relationships with your customers will help increase customer loyalty, which can be a significant source of income for your business. There are a number of ways you can work towards building this relationship, but the most effective is going to be through your customer service team. Customer service is usually the determining factor in repeat business.

## Be Flexible

Improve your customer service by being flexible and responsive. If you notice that a customer is having trouble with a particular process, do your best to come up with a quick solution. Explain to the customer that you're working hard to fix the problem, and hope to have their issue resolved shortly. Your fast response will be appreciated.

## Offer a Rewards Program

Rewards are the simplest way to say 'thank you' to your customers for continually choosing your vendor business. This marketing tool is particularly important, as it's easy to measure the growth and impact it has on your business. Start by designing a program that rewards

your customers for their repeat business with something they will actually want. To do this, you'll have to pay attention and attempt to learn more about what your customers are looking for and what they will find valuable. Even after you've developed and deployed a successful rewards program, you can't stop there. These programs should be monitored for effectiveness and continually improved in order to create an outstanding customer service experience.

## Provide Customer Support

Your customers will continue to come to you for any needs related to their equipment, even after they make their purchase. If there's ever an issue with a piece of equipment, they'll likely turn to you first to find out what they should do to repair it. How you handle these kinds of inquiries will make you stand out from the competition. Make sure you have a set response in place – either direct them to a manufacturer that can assist with repairs or be ready to provide them with the speedy repairs they need.



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# Summary

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With changes in technology comes easier access to information. Because of this, it's increasingly important to stay on your equipment A-game. Keeping your website updated with the latest equipment is just as important as keeping equipment in stock. If a customer visiting your website doesn't see the equipment they're looking for right off the bat, chances are they will move quickly to another equipment vendor that does. Make sure you are showcasing the latest equipment you sell, so customers will know you can provide what their business needs.

Lastly, never underestimate the importance of fast, easy and flexible financing. As mentioned in this whitepaper, it can help take your equipment vendor business to the next level with increased sales, more profits and increased customer retention. If you are still using outdated and time-consuming financing methods, you aren't adding value to your product offering. Now is the time to work with an equipment financing company that can help you fix your broken financing model.

## About Balboa Capital

Balboa Capital is a technology-driven financing company that provides business owners with fast, hassle-free solutions to fuel their growth and success. The company specializes in small business loans, equipment financing, commercial financing, equipment vendor financing, and franchise financing.

Balboa Capital developed an intuitive online platform that simplifies the entire financing process. Calculators provide instant estimates, applications can be completed and submitted in a matter of minutes, and sophisticated credit scoring technology provides instant decisions. Visit <http://www.balboacapital.com> to learn more.

