



PLAN TO OWN:

HOW LEASE-TO-OWN PAYMENT PLANS
CAN BENEFIT YOUR BUSINESS



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WHAT IS LEASE-TO-OWN?

The best way to explain lease-to-own payment plans is to compare them to a traditional lease. As you may know, with a typical lease, you're essentially making a monthly payment to use the equipment with the intent of returning it after a set period. Leases are similar to renting, but tend to stretch for a longer period and are structured a bit differently.

Lease-to-own payment plans have a monthly payment similar to a traditional lease but allow you to work towards ownership. Rather than returning the equipment when the agreement ends, you keep it, and ownership is transferred to you from the lender. How this happens can vary depending on the terms of the agreement, but the end-game is ownership.



THE BENEFITS OF LEASE-TO-OWN PAYMENT PLANS

Choosing a lease-to-own program when getting equipment for your business is full of both obvious and hidden benefits. Below are the top three you should consider.

1 BUDGET FRIENDLY

With a lease-to-own program, you can acquire equipment you wouldn't be able to afford otherwise. Dividing out the cost into manageable monthly payments makes it easy to fit into even the tightest of budgets. Once you reach the end of the lease, you pay the final balance (it varies based on the plan) and receive ownership. The equipment is yours free and clear, and you no longer make payments—no more paying to use the equipment or worrying about extending your lease contract.

3 LONG-TERM PROFITABILITY

By leasing the equipment, you should notice an increase in your profits. Even with paying each month, you'll soon find that your incoming cash is greater than the outgoing. This increase becomes even more pronounced when the lease is over and you own the equipment. Since most equipment's lifespan surpasses the length of a lease, a lease-to-own payment program almost ensures you continually profit.

2 FLEXIBILITY

Utilizing a lease-to-own payment program comes with several levels of flexibility. From length, to monthly payment, to buyout options, you'll be able to choose the perfect plan that allows for maximum growth and profitability. With the right plan and a great lending partner, you won't be stuck in a program that doesn't work for your budget or business.



BUYING VS LEASE-TO-OWN

It's pretty common for business owners to see buying as the best option for acquiring equipment, but lease-to-own programs prove that wrong. Check out some of the distinct advantages lease-to-own has over buying.

BUYING

- ✓ Own the equipment immediately
- ✓ Tax savings
- ✓ Works for start-ups
- ✓ Low financial reporting
- ✓ Convenient
- X Doesn't help build credit
- X Limited price flexibility
- X No upgrade options
- X Pay sales tax up front
- X No way to conserve cash
- X Pay in full at time of purchase



LEASE-TO-OWN

- ✓ Own the equipment at the end of the lease
- ✓ Tax savings
- ✓ Works for start-ups
- ✓ Low financial reporting
- ✓ Convenient
- ✓ Build up business credit
- ✓ Flexible payment options
- ✓ Easy upgrades
- ✓ Deferred sales tax
- ✓ Liquidity
- ✓ Low down-payment

END-OF-PLAN OPTIONS

The end of your lease-to-own program comes with a few options. The most common are a one dollar buyout or purchasing for a percentage of the purchase price. Each option has a unique set of advantages.

\$1 BUYOUT

When your agreement is structured this way, at the end of the plan, you'll pay one dollar to obtain ownership of the equipment. For the cost of a cheap coffee, you get to keep the equipment your business needs. What's the catch, you ask? Monthly payments for this plan tend to be higher than the other options since the ending payment is so low. Essentially, this payment plan fully breaks down the cost of the equipment. It saves in the long run and is ideal if you have the room in your monthly budget to afford the payment.



PERCENTAGE OF PURCHASE PRICE

If you need a lower monthly payment to afford the equipment your business needs, this plan may be ideal. At the end of this agreement, you would pay a percentage of the original purchase price of the equipment. This can vary from deal to deal, but it usually ranges from 10-20%. This lowers the monthly payment, but still allows you to work towards ownership.

TAKING THE FIRST STEP

Now that you know how easy and beneficial it can be to get the equipment your business needs through lease-to-own, you're probably wondering how to get started. The first step is to apply for a lease-to-own payment plan! You can do this even before you find the exact piece of equipment you want.

It's Easy!

Apply at:
beaconfunding.com/apply
Or Call:
(866) 380-9442
to get started!

