

## 7 Financing & Leasing Tips



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With the arrival of spring, professional landscape contractors are evaluating their fleets and deciding what they need to acquire before the busy mowing season.

They should consider financing or leasing equipment to efficiently manage their fleets and cash flow, according to John Deere. The manufacturer provides these seven simple tips for financing equipment:

- 1. Identify your equipment needs.** Audit your equipment and note any aged equipment that may need to be replaced. Also consider any equipment needed for expected growth.
- 2. Leverage your dealer.** Your dealer is a knowledgeable ally that can help you select the right equipment to meet your needs. Meet with your dealer to prepare a quote and consider all payment options, including upfront cash, financing offers and leasing offers.
- 3. Meet with your financial adviser.** Use this meeting to discuss your business needs and, based on your business plan, whether it is best to lease or finance your equipment. Weigh the pros and cons of both options to determine which is best for your business.
- 4. Consider needs beyond equipment.** You can often add on to leases and notes. Work with your dealer to create a quote that gives you more bang for your buck. Consider attachments, hand-held products and maintenance needs when developing the quote to make it a more attractive solution.
- 5. Check the warranty.** Have your dealer give you the warranty information for each piece of equipment. Consider matching the note/lease term to the warranty term so your equipment is always under warranty, keeping repairs and downtime to a minimum.
- 6. Set up a payment plan that fits your business.** Many payment plans are

flexible when initially setting them up. Choose a payment date that coincides with when you pay your other bills each month. Also, ask your financial adviser if there are months where your cash flow may be tight—many manufacturers offer skip payments or seasonal payments for your benefit.

**7. Be aware of your needs.** Don't be tempted to utilize a longer- term note or lease just to get a lower payment. A better approach to drive your payment down is to consider leasing with the terms you specifically need. Keeping equipment for the correct term will keep your repair and downtime costs the lowest.

The fact is that financing and leasing can be simple, if the landscape contractor is prepared and armed with trusted advisers and the right information.

POST BY [JOHN DEERE](#)