

5 UPSIDES OF FINANCING

Case Study of NuWave Technology Partners

Simply reselling hardware used to be the norm for MSPs and other technology Solution Providers. Then along came the millennial mindset that technology should be consumable, followed shortly by cloud and as-a-Service models. Companies didn't want to spend their cash on something that would need to be replaced down the road.

Some Solution Providers, like NuWave Technology Partners, met the transition in technology buying patterns by offering monthly payment financing options to their customers. Here are the changes Chad Paalman, CEO, saw after the change.



1

Close More Deals

Before monthly payments, NuWave had to battle for their customers' CapEx dollars. Now that the battle is over by selling monthly payments instead, they are closing more deals.

2

Higher Margins

Without the negotiations that come with selling cash, NuWave saw a **5-10%** increase in margins on deals that were financed over those paid with cash.

3

Larger Transaction Sizes

Since customers didn't have to pay upfront for the equipment, Paalman said there was a **25-50%** increase in transaction size on deals financed with GreatAmerica.

4

Fewer Days Sales Outstanding

Gone were the days of tracking down checks and payments from customers. The Days Sales Outstanding for NuWave decreased by **up to 60 days**.

5

More Frequent Refresh Cycle

NuWave found that customers on a payment plan wanted to upgrade their equipment on a consistent basis at the end of their term.



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