

# THE UNBELIEVABLY MASSIVE GAP

in the B2B Equipment Sellers Market...

**and How to Fill it**



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# Introduction

The status quo is not good for business growth. It can be so subtle and become so comfortable that it blinds us from opportunities to do things differently and better - even opportunities that are right in our faces. Being stuck in the rut of the status quo can place us in the “We don’t know that we don’t know” space, which is the opposite of innovation, evolution and advancement.

In business, if you can identify a gap between what customers want and what suppliers deliver, you’ve also identified a status quo that is no longer good enough and is ripe for change. And occasionally, a gap presents a business opportunity that is so big and so obvious, it makes everyone in that market wonder:

**Why didn’t anyone notice this gap before?  
Why didn’t anyone position themselves to meet this customer need?  
Why didn’t anyone leverage this opportunity?**

If we’re honest, the answers are typically one or more of the following.....

**“Everyone does it this way.”  
“This is the way we’re comfortable doing it.”  
“We didn’t know there was a better way.”**



However, once the gap is identified, the smartest businesses also ask...

**How much money can we make if we fill this gap, and how do we fill it?**

## **Do you sell commercial or industrial equipment?**

If you’re in the business of selling industrial or commercial equipment (of any kind), there is a massive gap between what business customers really want and what equipment suppliers are currently offering them. And the equipment suppliers with the courage to break the status quo and fill the gap first, stand to gain a major competitive advantage and a significant boost in closed sales and satisfied customers.

# The Gap (and the opportunity)

According to the Equipment Leasing and Financing Association (ELFA), in 2018 approximately **63%** of all commercial and industrial equipment was purchased through some method of financing.

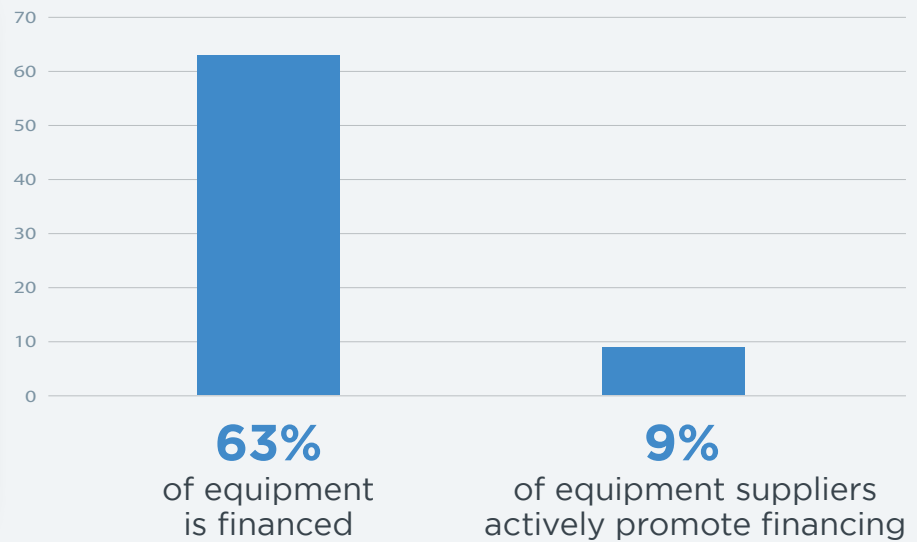
(Sidenote: This number is as high as 90% in certain industries)

## But...

Through our own survey of a wide variety of equipment supply companies, we discovered that **only 9%** of suppliers actively promote financing options as part of their sales process.



When more than half of a B2B market prefers financing and less than 10% of suppliers proactively offer it... that's a gap...and an opportunity!








## Why do most businesses prefer financing?

The benefits of financing are commonly understood and well documented, so we'll just quickly mention them here without going into much detail.

If you'd like to learn more about the strategic advantages of financing, EquipmentFinanceAdvantage.org published a thorough list here: <https://www.equipmentfinanceadvantage.org/ef101/benefits.cfm>

# Why do businesses prefer financing?

-  **Affordability:** Provides affordable access to equipment that is otherwise too expensive
-  **Control:** Enables businesses to conserve, prioritize and manage working capital
-  **Strategic Planning:** Creates predictability in budgeting and monthly expenses
-  **Simplification:** Streamline expense management and payments through bundling of products with soft costs like installation, maintenance and repair services
-  **Tax Savings:** Tax advantages in certain cases (consult your tax professional)

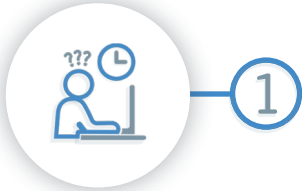
## Why does this massive market gap exist?

If **most** businesses prefer financing equipment, and therefore, offering financing would be an obvious way to close more sales...why would **less than 10%** of equipment suppliers proactively present financing as a value-added option at the start of the sales process? How could so much

customer demand garner so little interest in equipment suppliers to deliver a solution?

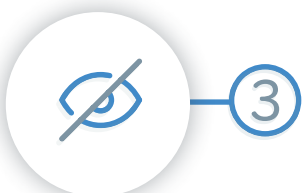
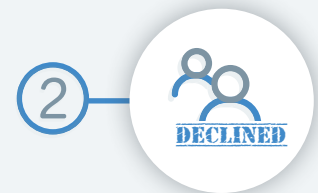
The short answer is, the current financing process (the status quo) is not a good one for equipment suppliers (or customers for that matter)... and for a number of reasons:

# The top 3 reasons equipment suppliers detest financing



**A slow and cumbersome process** - By far, our survey respondents listed the slow, cumbersome and still predominantly manual process as the number one problem with offering financing to their equipment customers. Once a customer chooses to apply for financing, it may take weeks or even months to gather the appropriate information, approve the application and get the deal funded. And the entire process has to be repeated each time a new application is submitted to a different lender.

**Too many declined applications** - Another top complaint of surveyed suppliers is the frequency of declined applications. Approximately 50% of all equipment financing applications are declined, which translates into a lot of wasted time and effort, a lot of disappointing customer experiences and a lot of lost sales.



**Loss of visibility and control** - And finally, a large percentage of equipment suppliers surveyed indicated that a loss of visibility and control made financing an undesirable sales channel. More specifically, responding equipment suppliers disliked the fact that:

- The financing process feels more like a referral program for the lender than an internal sales channel.
- The link to the financing application takes the customer away from the supplier's website and sends them over to the lender's website, removing all visibility into the status of the customer and the sale.
- Once customers begin the financing process, the suppliers often never hear from them again, as if the customers and sales opportunities simply disappear.

# 3 Steps for Equipment Suppliers to Solve this Problem and Fill this Gap

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1

2

3

First off, if your equipment business doesn't already offer financing, here's a recommendation for immediate sales growth...start offering financing. If you don't offer financing because you think your customers don't want financing, then "you don't know that you don't know." Many of your customers do want to finance, and many more will once you present financing options to them. The fact is, equipment companies that don't offer financing are losing sales opportunities to their competitors...period.

Now, assuming that your equipment business recognizes the value of offering customer financing, let's explore how to transform the old, broken, "status quo" financing process into something much better and more appealing for your business and your customers.

## Step #1: Integrate financing at the point-of-sale

The statistics are clear - most businesses want to finance the purchase of equipment. So, why wait until the end of the sales process, or until the customer asks, before presenting financing options?

- If you present finance options proactively to a business customer that is already interested in financing, you're a step ahead in meeting their needs.
- If the customer had not previously considered financing, presenting affordable monthly payment offers can be very appealing to businesses that might prefer an alternative to a full purchase.
- Business customers like having options; and if your competitors aren't including financing estimates, you've already gained a competitive advantage by presenting options to the customer.

**78% of Customers  
Choose Financing When  
Given the Choice**

Equipment Purchase Price

**\$22,000**

**\$ Purchase Now**

Monthly Financing Payment

**\$531.92/mo**

**Apply for Financing**

We present purchase prices next to monthly finance payments on our quotes and our customers choose to apply for financing **78%** of the time.

Here are some smart, proactive ways to ensure your customers know they can purchase your equipment with affordable monthly finance payments:



### **Present Point-of-Sale Financing Options**

Present monthly finance payments on your quotes, which is the point of sale for most B2B sales funnels.

Now your customers immediately know financing is available and can decide if it's right for their business



### **Sell Financing as a Competitive Differentiator**

Customers want and appreciate options. Train your sales staff to leverage financing options as a competitive advantage to close sales with customers that either can't or prefer not to pay in full.



### **Include Across All Marketing Messages**

In addition to showing finance payment amounts on your quotes, promote financing options as a primary customer benefit on your website, in-store and on all marketing materials.



## Step #2:

### Make it easy to submit one application to multiple lenders

With today's technology, it's easier than ever to transform inefficient, one-to-one interactions with highly streamlined, one-to-many transactions.

#### The status quo:

Currently applying and getting approved for financing is a cumbersome process that typically requires your customer to disconnect from your business and go create an account on one financing company's website. If your customer gets declined and wants to try a different lender, or simply wants multiple financing offers to compare, the same cumbersome process must be repeated over and over with each individual lender.

Plus, our data shows that presenting multiple competing finance offers to customers boosts closed sales by 13% over a single finance offer.

*Presenting multiple competing finance offers to customers boosts closed sales by 13% over a single finance offer.*

#### A new approach:

- Having seen the monthly financing payments at the point-of-sale, what if your customers could click on a single button on your digital quote and immediately submit one financing application?
- What if each application was shared with multiple lenders simultaneously?
- What if multiple lenders raced to approve your customers' applications and competed by presenting their best offers for your customers to compare?

#### Competition among lenders would produce several favorable results for your customers and your business:

##### For your customers

- More options for smarter decision making
- Faster turnaround on approvals and funding
- Increased chances of being approved
- Lower financing costs
- A smoother, more efficient customer experience

##### For your business

- More approved applications and closed sales
- Faster deal funding and payment to you
- More options and value to deliver to your customers
- Higher customer satisfaction levels
- An efficient, streamlined financing process requiring minimal resources and effort

## Step #3:

### Maintain control and influence over financing deals

Currently, equipment suppliers are “sending customers away” to apply for financing with a lending company. Once the customer enters the financing track, the supplier loses visibility into the status or progress of the application, and loses control and influence over the sales opportunity. Many equipment suppliers perceive financing as a business black hole where a large percentage of customer prospects and sales opportunities go to die. If a customer re-emerges on the other side approved and ready to accept

an offer, it is considered lucky. This idea, that financing is practically synonymous with lost sales, further demonstrates “The Gap” and the opportunity that exists in the B2B equipment sales industry.

“ **Your customers would have an uninterrupted financing experience with your business - you would be delivering the financing solution - not the lenders.** ”

One obvious, yet powerful solution is to develop, own and control your own streamlined financing program. With a relatively minor investment in technology, your business can develop an in-house financing program and the fully-automated tech platform to support it. You would still rely on your financing partners to underwrite and fund the deals in the background, but you could manage those deals through your own platform. Additionally, your customers would have an uninterrupted financing experience with your business - you would be delivering the financing solution - not the lenders.

Imagine your enhanced ability to nurture and close financing opportunities if your platform enables you to initiate, track, monitor and manage every financing deal from start to finish.



With total visibility comes total control. When your financing platform is automatically tracking the movement of every deal throughout the sales cycle, and notifying you of key touch points, you can communicate directly with customers and employ influential sales tactics in a much more timely and impactful way.

# Let's Recap

Most businesses prefer financing over paying in full.

Most equipment suppliers avoid offering financing unless the customer asks because the current structure and process is inefficient and largely ineffective in closing sales.

This gap between demand and supply is a huge opportunity for equipment supply businesses.

**Three core changes can position your business to take full advantage of this market opportunity and give your business a significant competitive advantage:**

1

Proactively integrate, present and promote affordable monthly financing payments at the point-of-sale and throughout the sales cycle.

2

Make it easy for customers to submit one financing application and receive offers from multiple competing lenders.

3

Develop and manage your own branded financing program run on a tech platform that gives your business total visibility and control.

If your business were to make these three changes, you would gain substantially more sales, more satisfied customers and more market share. ■



## Solution Shortcut

The reason we know this innovative 3-pronged approach to equipment financing equates to massive sales growth is that we implemented it in our own business and saw a **70% increase in the first month** - and continued growth ever since.

Now we're making this same powerful financing solution available to forward thinking equipment suppliers, and we're calling it "APPROVE".



### If you see the value of:

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- ✓ Integrating financing at the point-of-sale on your quotes
- ✓ Leveraging competition among lenders to drive lower customer costs, higher approval rates and increased sales
- ✓ Maintaining control over the entire process

...and you don't want to develop your own solution from scratch - contact us and we can get your business plugged into APPROVE in minutes.

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**APPROVE**

