



by Greg Mayfield
IPSfn

Increase Cash Flow!

Choose A Win-Win Equipment Leasing Company

Today's challenging economic environment demands the effective conservation and utilization of cash. This is particularly true in the healthcare industry where insurance reimbursement rates and government regulations have made managing cash flow an increasingly important area. One way in which healthcare professionals are addressing these cash flow concerns is with equipment leasing. Leasing provides an excellent alternative source of capital and allows businesses both to conserve and optimize their cash flow by spreading the cost of acquiring new equipment over its useful life.

In addition, through leasing, businesses can avoid the ownership risk that comes from equipment obsolescence. According to the Equipment Leasing Association, more than 80 percent of U.S. companies utilize leasing as part of their overall financial strategy. Not all leasing companies are the same, however. It is important to find a leasing partner that specializes in your industry so that they can deliver a comprehensive financial solution that is tailored to your industry's distinctive characteristics.

For example, find a specialized leasing company dealing exclusively with your particular industry so their equipment needs are uniquely positioned to structure and deliver custom-tailored vendor-independent lease financing that is best suited for your situation. The expertise they will have in your field allows the leasing partner to creatively structure lease transactions of any size and term and to invest in technology and share the equipment ownership risk. A key advantage to allowing or encouraging your equipment leasing company to participate with you within the lease is that it decreases the amount of capital for which you will be liable and ultimately reduces your monthly expenditure. Not only will you benefit from the knowledge these experts can share, but a partnership with a specialized leasing company will enable you to finance more esoteric assets including information technology hardware and software, maintenance and service agreements and office leasehold improvements.

When purchasing equipment from a vendor that will also finance your equipment, it is always a good idea to consider seeking other leasing companies on a comparative basis, just to make sure you are not being hit with hidden cost or bundled cost that will go unnoticed. Although it seems the vendor trying to sell you that particular piece of equipment has the ability to offer great terms and rates, remember nothing is ever free. The price and terms may seem to be an offer you cannot refuse, but you are paying for it somewhere in the transaction. Therefore, you should always seek second opinions. The leasing company represents a valuable alter-

native source of capital to professionals that will not impinge on their existing banking relationships or lines of credit.

Bottom line – select the right leasing partner, and they will develop a long-term relationship with you. What results is a win-win arrangement maximizing their business cash flow requirements while helping you with yours.

► Benefits of Leasing:

- **Conservation of Capital**
Leasing doesn't require the cash outlay of a purchase.
- **Longer Terms, Lower Payments**
Flexible terms up to 60 months or longer.
- **Periodic Equipment Updates**
Reduces obsolescence risk with life-cycle management.
- **Manageable Upfront Costs**
Little or no down payment.
- **100 percent Financing**
"Soft costs" such as installation, training and maintenance can be added.
- **Tax Advantages**
Lease payments are deductible as an expense.
- **Cost Spread Over Useful Life**
Pay as you use the equipment.
- **Customized Lease Options and Payment Plans**
Tailored to meet your needs.
- **Time Value of Money Benefits**
Acquire equipment with today's cheaper dollars.

► Leasing should be considered when purchasing:

- Company cars, trucks or vans
- Heavy road equipment
- Aircraft
- Software and support
- Furniture and fixtures
- Phone systems
- Furnaces
- Elevators
- Air conditioning units
- Waste disposal containers
- Alarm systems
- ATMs

Greg Mayfield is chief executive officer of IPSfn with its corporate headquarters based in Houston, Texas. IPSfn is a asset based lender and investment banking firm which for the 10 years has specialized primarily in the healthcare industry. Over the past several years IPSfn has ventured out to projects in the hospitality business, real-estate development, and within the past 18 months has set up its own credit facility for equipment leasing known as IPSfn Credit Corp. Greg can be reached via email at gmayfield@ipsfn.com.