



# **BUSINESS TECHNOLOGY & OPERATIONS**

**HVAC | PLUMBING | ELECTRICAL**

**October 24-25, 2017 • New Orleans, LA**



# Customer Financing = Closing More Sales

Mark Pippin

Pippin Brothers, Inc.

Lawton, OK

[markpippin@pippinbrothers.com](mailto:markpippin@pippinbrothers.com)

# Objectives

- Discuss biggest mistakes sales people make
- Most effective way to share investment options
- Show customers how easy it is to do business with you even if you are more money than the competition
- Best resources currently available

# Sales Call

- Prepare
  - In the vehicle getting ready going over customer information
- Greet
  - Greet the customer, be on time (15 mins early), and look professional
- Explore
  - Get to know the customer and the needs and wants of the customer
- Present
  - Present options

# Present Options

- This is where we do this a little different
- Present solutions (not equipment)
- Ductwork solutions, code solutions, work that makes the system work the way it was designed to
- Notice we still have not suggested equipment solution
- At this point we ask, “How are you planning to pay for this investment for your home?”
- Before they answer the salesperson responds with, “Let me give you the options we offer”.

# Payment Options

- Pay by check or cash
- Credit card (cost us between 2-3%) (cost customer between 16-28%)
- 12 months no pay no interest
- 0 % 18-36 months (length of time can vary based on finance company specials)
- 5.9% 120 months

## 5.9% - 120 Months

- This is where we can show customer affordability, this also gives us leverage
- 85% of homes are financed for 30 years
- Average car is financed for 67 months
- Most people finance furniture
- AC system will be 3<sup>rd</sup> largest purchase for a home owner

# O.P.M.

- Other Peoples Money
- This is how the rich get richer
- Leverage other peoples money
- Pay for what you use (in our area average length of time home owner stays in home is 4-5 years)
- Similar to leasing
- Let it pay for itself

# Lowest Payment Longest Term

- 55-75% of people live to week to week
- Average savings account in America is \$3,800 – 62% have less than \$1,000
- Average American has no idea what HVAC system will cost
- You can always pay off early with no penalty
- No reason to pay upfront
- Savings on electrical will pay for the payment
- By explaining all these benefits this gives us the leverage to close

# Finish Options

- Now it's time to add the equipment to the options
- Depending on customers wants and needs 1-3 options
- We still don't talk brand we talk features and benefits of systems (more about this later)
- Present with monthly payments

# 5.99% -120 Months Payments

Loan Amount	Terms (Months)	Payment Amount
\$10,000	120	\$123
\$11,500	120	\$134
\$13,000	120	\$145
\$14,000	120	\$156
\$15,000	120	\$167
\$16,000	120	\$178
\$17,000	120	\$189
\$18,000	120	\$200
\$19,000	120	\$211
\$20,000	120	\$222

- Notice there is only \$11 difference per \$1,000. This is where there is leverage.
- This means if you present your company, warranties, guarantees, comfort guarantees 1-2 degrees in each room, etc., and you are only \$11-22 higher per month

# Customer Agrees

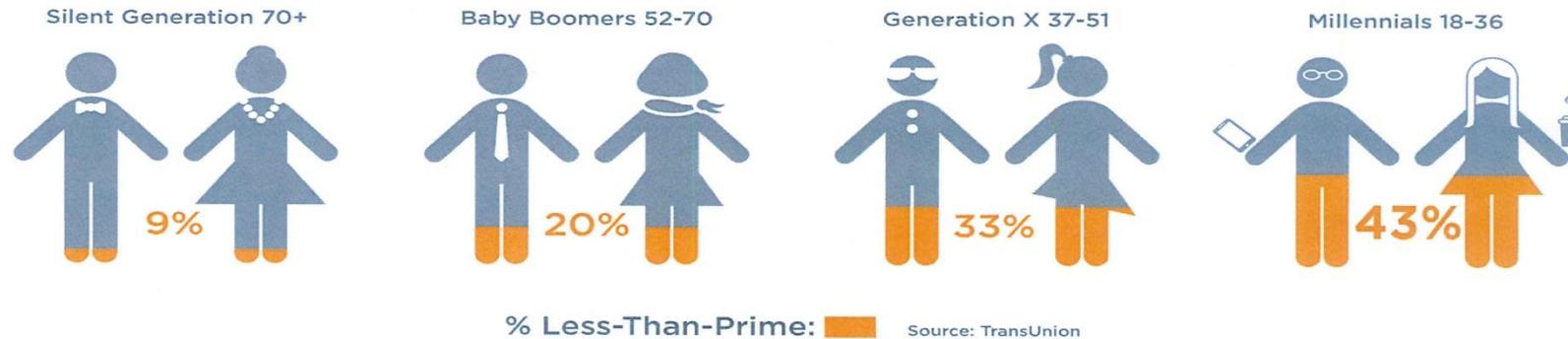
- Our top 120 months provider is a credit union and a bank
- No fees associated with the credit union/bank
- Now if customer wants other terms than we use the usual, Wells Fargo, Enerbank, etc.

# What If Customer Does Not Qualify?

- Have 2 other financing options
  - Green Tree
  - Fortiva (a new ACCA member)
- They can come back with a percentage they will charge to issue the loan
- This why we don't sell brand

WHO WE ARE

# Supporting the Generations



- The majority of the US population (51%) has less-than-prime credit
- 62% of Americans have less than \$1,000 in savings
- 2 out of 3 millennials do not have a credit card

Source: Forbes.com and Nerdwallet

CONFIDENTIAL | PG 5 

WHAT MAKES US DIFFERENT

# A Tiered Approach Helps You Optimize Approvals

