

Working Capital & Equipment Leasing:

**Better  
together.**

# Chocolate and peanut butter. Milk and cereal. Peace and quiet. And so on...

It's fair to say typing those out has conjured up the combination in your mind, proving that some things go **better together**.

Working capital and equipment leasing are one of those tandems that makes sense.

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One allows you to target growth by financing the day-to-day and month-to-month needs you have right now, while the other makes getting the big ticket items that fuel growth into your business. Both are useful on their own, but the combination of the two can be like jet fuel for your company.

To understand how these two great flavors of financing go great together, let's take a quick step back.



**Growth** doesn't  
happen without  
**investment.**

# A full **65%** of small businesses reported **profitability in 2022**, which is impressive.

That profitability can happen because of hard work or luck alone, but lasting growth comes from investments.

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Unfortunately, that growth can be expensive, no matter how essential it is. Your goal should always be to minimize the cost while maximizing what you get back. One of the best ways to do so is by financing major needs like equipment and working capital. The absolute best way is by doing both.

## Why?

- Equipment purchases create growth opportunities by improving your offerings. You can also add new services, and create efficiencies where none existed before.
- Working capital takes care of the expenses that accompany those equipment purchases. These can include materials and supplies, staff, marketing and advertising, and maintenance.

*Let's explore why the two work well.*



**8 out of 10**  
businesses  
used financing  
to acquire  
equipment

*2021. Equipment Finance Advantage*

# Don't fear financing.

Bluntly put, getting the equipment you **need** and taking care of the associated costs isn't happening without leasing and working capital.



Companies that are enthusiastic about leasing their new game-changing equipment but forget working capital can come to regret it.

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Financing your equipment is a great way to improve cashflow and maintain savings. Working capital can allow you to do the same thing for operating expenses. Doing both at once means you don't have to compromise on cashflow. You also can limit your upfront expenses at a time you're hoping to create new revenue.

*The following are a pair of examples of how that works in practice.*



### Example 01

## Micro-dermabrasion, macro gains

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A medical spa, **The Face Place**, purchases a new microdermabrasion machine. Customers have been clamoring for new treatments to rejuvenate their skin, and now the spa can finally offer it. Their equipment lease allowed them to not put significant money down on this new equipment.

In turn, they generate revenue right away to fuel growth and quickly pay down the lease. Because this is an expansion of the spa's offerings, The Face Place expects to generate more revenue and some real buzz from customers. That only happens if customers are aware. To generate that awareness, the spa needs to invest in advertising, fliers, and in-spa signage. These added expenses aren't covered in the equipment lease. They also need supplies for the new machine.

For that, The Face Place needs to turn to working capital. This will allow them to fund these initiatives and increase awareness of the microdermabrasion offering. It also won't cut into the revenue they're hoping to generate with microdermabrasion.

The net effect? For a modest upfront cost, The Face Place can ensure their new equipment is working for them and drive customer interest, generating revenue that offsets costs and fuels both immediate and future growth. That'll have your skin glowing.



## Example 02

# The road to growth

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**Here's a second example of how equipment leasing and working capital can press the accelerator on growth.**

In this instance, we're looking at a trucking company called with a simple need: A new truck. Aging and outdated equipment is a threat to revenue and reliability.

Adding the new truck eliminates maintenance and the possibility of not having a vehicle available at a critical time. This is a straightforward expense, but also a major one.

Equipment financing enters the picture here—per PIRG, 85% of vehicles in the U.S. are financed—but so does other financing to handle related needs. That new truck needs to be wrapped in the company's name, logo, and signature colors, and rather than dipping into thin reserves, the company can use working capital to take care of those needs.

The end result? Again, very little upfront cost for essential equipment, with a gleaming new truck ready to hit the road fully wrapped in the company's all-important advertising. That means an opportunity to sunset an older member of the fleet, cutting potentially prohibitive repair costs and letting this trucking company focus on operations and growth.

That's only possible with the combination of equipment financing and working capital, a point we hope we've driven home by now.



# Working together

Working together for financing that works well together.

Working capital is the best way to enhance your equipment financing, period.

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There are a thousand use cases dependent on your own business and industry, but the importance of limiting your upfront costs and maximizing the revenue you can get from your new equipment and initiative can't be overstated.

When you have an equipment need, it pays to identify what needs you have to support that equipment upfront. Then you'll want to take the all-important step of finding the right broker.

## How do you figure that out?

We're biased, but you'll want to go with a broker like Financial Partners Group for the following reasons:

- **Affordable rates** on all the financing you need, from working capital to equipment leasing
- **Strong relationships** with lenders and banks to ensure you have easy access to the equipment and the money you need to accelerate growth
- **Industry expertise** that you can trust, ensuring there are no late surprises with your critical financing



# Get the financing you **need** from a partner you **trust**.

In summary, go with a broker who can get you both working capital and equipment leasing to fuel your growth.

Here to help  
you **grow.**

Talk to us today:  
612.250.6682 | [www.financialpc.com](http://www.financialpc.com)

