



Mike Miller:

Welcome. This is Mike Miller with NCMIC, the business development manager here. I'm here to talk a little bit about how we can help close more business for your company, and maybe make your quoting a little bit more effective, so that those quotes close, and they don't just hang out there like tends to happen. A few things that I want to talk about, two reasons your customers buy equipment is to diagnose or fix their customer's problem, and the other one's to make money. If they're not making money fixing customer problems, they're not going to buy your equipment. Really that simple.

Mike Miller:

Reasons why sales quotes and cycles stall, they have price sticker shock, they don't see the return on investment, they don't understand the cash flow impact to their business, and they don't understand the tax deduction benefits. How to overcome some objections you're going to get from your customer. Some of them are like the price, the rate, sticker shock, "I can't afford the equipment right now due to cuts in my business revenue." I'm going to go through a little bit of a tool right now that I've created, to kind of address some of that problem that you're going to see, and you'll be able to help talk through these pretty intelligently once I pull this tool up here.

Mike Miller:

I put this tool together, and it makes really good sense to go through this, and the way this works, for example, is let's say you're going to go in, you're going to sell an x-ray system. Let's use that piece of equipment for an example. The price is, let's make the price \$21,000. You can see when I do that, and make it \$21,000, the payments change, and it shows exactly what the payment is. The first objection I handled was the price. How do I desensitize them to sticker shock? What would I do, is I'd take that price and I'd make it into a payment. I show them payments, and they have options between 36, 48, or 60 months. They can do 30-day deferred, which means their payment's not due for 30 days, or they can do 90-day deferred, their payment's not due for 90 days. And it just breaks down the difference between that. You'll see that the payment on the 90-day is a little bit more, because they're accruing interest as that 90 days goes by, even though they're not making payments.

Mike Miller:

One of the nice other options here is you can say, "Okay." The first time they see this, they may want to say, "Okay, well what kind of price deal can you get me?" Well, let's say you decrease this price by \$1,000, so let's just take this down \$1,000 and make this 20,000. If you look at this 430.92 and you hit enter, now it's 410.40, so about \$20 a month difference. So what you do is you say, "Well, do a couple more x-rays, or sell your service that you could offer them. You should be able to sell \$20 a month difference." But we all know too that people want a deal, so this will give you some confidence that you can go in at 21,000, and then if they do the deal that day, right? You can give them the \$1,000 and be on your way into getting a contract. This just shows you a way how to address those issues.

Mike Miller:

One thing about ours as well is we have a absolute and true no pre-payment penalties, so what that means is you can pay it off. It's a simple interest loan. You can pay it outright with no penalty or future interest charges at any time. The nice thing about that is they want the ability to be able to do that. They have that experience with the lease, and they do not like leasing. They like simple interest loans. Another objection you're going to get in this section probably is, "Well, what's the rate?" Well, in this



scenario, for every 1% difference you charge, it's higher. Let's say it's a 1% higher rate here, and they can get it cheaper at their bank. They tell you, you know? What happens is for every 10,000 they borrow over a period of five years, that's \$4 a month. Well, in this example, they're borrowing \$20,000, it'll be \$8 a month difference if they can get a 1% cheaper rate.

Mike Miller:

So it's really not that much impact, but the problem becomes it stalls transaction, because you're going to go out. They're going to go their bank, and then they're going to talk to the banker. We don't report to the credit bureau, right? So it doesn't report as a credit risk. They keep their line of credit to buy other things, but the problem with that is, it's going to be recorded if they go to their bank, so you can use that to kind of stop them from going to their bank, but if they do, it could be one week, three weeks, five weeks before they go to their bank. They're going to take the time to do it, and when you say to them, say, "Just do it now. Do you want to go to your bank three or four weeks from now to save that 1%? Just pay this loan off early with no penalty or future interest charge at any time."

Mike Miller:

But we're very competitive in the marketplace. It really is not that big of a deal in the grand scheme of what you're trying to accomplish, because in the next section, I'm going to show you the revenue part of this. This is the return on investment section that I talked about. In this section, you can see they've pulled down the \$20,000 and the equipment name, all the payments that they have options to set up with us. What you do is you go in, you say, "Okay, here's the x-rays." Okay, how many are they going to do a month? You ask them. They'll say, "Well, I'm going to do," let's just say 110, right? "How much do you charge?" "Well, I charge \$30, or I get reimbursed \$30." So what happens then is then it multiplies it out, and that means they're making \$3,300 a month just doing x-rays.

Mike Miller:

Well, there's another way of making a little bit more money too is the x-rays sometimes identify as a problem even after the insurance pays for the adjustments that a chiropractor's giving them, for example. Well, in this scenario, after that, they don't have any more insurance reimbursements. They may not come back. Well, you're going to show them through this x-ray that here, here's the problem. We just need 10 more adjustments. Well, they'll come back for 10 more adjustments. You're going to charge \$40. That's another \$400 in revenue. It's very important that you dig inside this revenue stream, that they understand this.

Mike Miller:

The other component you might run into is I know a lot of digital has gone by the way... or is now in the forefront, and film and chemical's gone by the wayside, but there are a few out there, and film and chemical requires a lot more cost, so it's about \$300 a month in this example in costs, that they would save if you go to film. It's just a way to show a hard cost savings that you can add to their bottom line savings.

Mike Miller:

All right, so then I add these three columns, these three numbers together, and I get \$4,000 of their total potential monthly revenue. Okay, now you have to subtract the payment out of that to us, which is I'm going to use the 60 month, which is 410.40. If you go down here into this section, you'll see that they



take the 4,000 minus 410.40. That gives me 3,589.60, that they're going to cash flow net per month. This is per year, and this is for the term of the loan. These set of numbers here are 90-day deferred, as I explained earlier, a little bit more payment, because they're deferring the interest. So it's very critical that they understand how this thing cash flows in their business.

Mike Miller:

Another thing to keep in mind is this Section 179. Section 179 is available to anybody who owns a business who buys equipment, and here is the explanation of what they can buy to write off. In this particular example, the equipment, is the number is 1 million 80,000 they can write off per year. Obviously, they've got to make enough income to be able to write that off, and then get their maximum tax bracket at 35%, so technically, they could save, in this scenario, \$7,000. That means that \$7,000 goes back to them. Again, it desensitizes the price for them, and shows more affordability.

Mike Miller:

The way that works is based on what they make, they should be able to get that all up front. If not, they'll depreciate over five years, and that's another way to take some savings, but just do it over a term of five years, so they can maximize their tax rate. That's a question for their accountant. But this is how the Section 179 works, and it's a powerful tool in selling, because people forget that you're not paying for all that equipment. You're getting some tax savings as well.

Mike Miller:

Let me put that all together. Really, what the doctor's concerned about, "What's my monthly out-of-pocket cost?" Well, in this example, you've got a 60-month payment, and payments will be 410.40 they're going to pay us. Well, if you get the \$7,000, right? You can write that off up front. If you divide that into that, you're looking about 20-something payments that they're going to pay just using the money. So really, the cash flow is not going to cost much if they get that refund up front. If they depreciate over 60 months, it's 116.67 per month, okay?

Mike Miller:

In this example also, they're going to save \$300 on film and chemical, so the total savings per month's going to be 416.67, which shows them a savings of 627, so it's a no-brainer that they should put this equipment in, because they're automatically going to have positive cash flow. So I use this example because this is real life and this is really what it means to them, and it's just going to be instrumental in you closing that quote and showing them to do this today.

Mike Miller:

Well then you do your negotiation, you lower your price, lower it, and then make sure they fill out an application, send it to us if they want to finance, and then we can get them pre-qualified. Usually, that can be done in the same day, so we can have this transaction approved within an hour or two, have documents to them the same day or next day, and based on the contracting, you've got the sale. Or they may just say, "Oh yeah, that makes sense. I've got the cash," and they'll just pay the cash. Either way, the transaction got completed, and it's going to help you in your transaction.

Mike Miller:



So that's kind of the business justification tool. I'm going to talk to you a little bit more about how to contact me, and how you can get ahold of me. It's very simple. Here's my contact information, but keep in mind on this tool, unless you use it enough, it's really not going to be easy for you, so I'm here to help train you on it. I'm here to help you use it individually to a customer. I'm here to do it before you go to the customer. The whole point of it is do you understand and can explain it to the customer, and get that transaction completed and sold to the customer, and show them the benefits so they can start fixing their patient's problem and start generating revenue. If you have any questions, just reach out to me, and I can help you through this, and I'll be able to share this tool with you as well. So just get ahold of me, and I will help you anyway I can. Thank you for attending, and hope this helped.