
Financing Business Assets Through Equipment Leasing

Contributed by Webmaster

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Whether you own a small or a medium-sized business, financing can be a big challenge. Thanks to business equipment leasing, entrepreneurs now have the option to finance their assets without paying in cash. Whether you need devices, machinery, or vehicles, you can find a business equipment leasing company that can help you start up.

Equipment Lease for Startup Business

If you've just started your business, investing on equipment alone can eat up a big part of your resources. On the other hand, equipment hand enables you to obtain all the devices you need to start your business operations and rent them. Thus, instead of paying cash, payment can be made in instalments.

It is also worth noting that leasing companies offer different leasing terms and repayment terms so you can choose the set-up that will work best in your case. Since different businesses have different financing needs, leasing gives you the option to decide which is best for your business. For instance, you can lease the equipment for 2 years and return it afterwards or if you want, you can keep the equipment when your lease term ends in exchange for just a small price.

When it comes to repayment terms, most leasing companies offer yearly- and monthly- options. There are also leasing companies that allow you to defer the first two months of your lease payments without incurring the penalty. For a new business, this option gives you the chance to spend your existing budget on other necessary expenses such as in purchasing materials or stocks, hiring workers, or launching a marketing campaign.

Equipment Lease Benefits

No downpayment. Leasing business equipment does not require you to submit a down payment. It frees up more of your funds so you can use for other expenditures or save for emergencies.

Flexible repayment terms. Being able to choose a repayment term that is most convenient for your financial capacity is definitely a big advantage for any small business owner.

Keep up with your competitors. Leasing enables you to keep up with the latest in technology, whether on gadgets, machineries or vehicles since you can obtain the type and model you want without spending a fortune. Purchasing does not give you that freedom since the latest equipment will only cost you more.

Maintain your cash flow. Having a steady cash flow is essential to running a business. Instead of spending your cash on purchasing equipment or investing on vehicles, you can reserve your funds for more important areas of the business.

Enjoy Tax Benefits. Purchased equipment is always taxed while leased equipment is tax-deductible. Imagine how much you can save by not paying the additional tax cost.

Stay on top of Technology. Each time a new model of equipment or vehicle is introduced in the market, you can replace your old equipment without spending so much. On the contrary, purchasing ties up your funds to the equipment you bought. It would be impractical or even impossible to buy a new one each time your old equipment becomes obsolete.

Build up your business credit. Another benefit of business equipment leasing is the opportunity to build up your business credit history. A solid business credit would be indispensable when you need to obtain a business loan to expand your business or to launch bigger projects.

Irish Taylor is a business loan consultant with SBA Loans for Startup Business and has been providing consumers and business owners with startup business financing since 1992. For years she has helped people with credit and loan problems especially pertaining to business start up, SBA Loans and Unsecured Loans. Copyright 2008