



Unlocking Growth

A Neighborly® Webinar Series

February 2025

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Join us for our upcoming webinars!

Feb 25 & 27

**Broadly: Booking More
Jobs to Generate More
Revenue**



Mar 11 & 13

**Leveraging a Call Center
for Growth**



Mar 25 & 27

**Marketing/Gen AI Customer
Engagement**



Apr 8 & 10

Recruiting Best Practices



Topics and dates are tentative and subject to change

Customer Financing: A Competitive Edge for Your Business

Goals for Today's Session

1. Create awareness & curiosity about Customer financing
2. Simplify the financing process for you & your customers
3. Discuss common misconceptions about financing
4. Learn from others who use financing effectively
5. Inspire action to grow your business with financing options

What Exactly is Customer Financing?

The short version...

Financing is a way for customers to purchase goods and services over time through loans or other financial arrangements.



What Exactly is Customer Financing?

How it works

- ✓ Customer is offered financing options
 - Options come with varying interest rates & origination fees
- ✓ Financing is used to purchase products or services that may otherwise be unaffordable
 - The amount owed becomes a predictable loan payments over time

Benefits

- ✓ Financing can help our customers
 - manage their cash flow
 - access higher-quality & additional products and services
- ✓ Financing can help our businesses
 - reduce pricing objections
 - convert browsers into active buyers

Lender Risk Influences Financing Rates and Origination Fees

- ✓ Higher credit scores
- ✓ Longer loan duration
- ✓ Larger down payment

- ✓ Lower credit scores
- ✓ Shorter loan duration
- ✓ Low/no down payment



Financing is Everywhere - not just on High Ticket Items



FINANCING A PUPPY ADOPTION THROUGH CREDOVA

Make adopting your new four-legged family member more manageable. Happytail Puppies provides easy puppy financing solutions through Credova.

Credova is an easy-to-use financing app that offers Buy Now, Pay Later plans. Instead of paying upfront, you can now pay in four interest-free payments with schedules based on your chosen payment plan. Credova financing doesn't have hard credit inquiries, so you can get prequalified without impacting your credit score. Take advantage of Credova's easy puppy financing solutions to secure your chosen furry friend today!

Those interested in reserving a puppy must place a \$200 non-refundable deposit. Once the deposit is placed, Credova pet financing will cover the remaining balance. The deposit will go toward the purchase price of your puppy.

For more information and inquiries about puppy financing, don't hesitate to [contact the Happytail Puppies team](#).



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Reunion Reminder - Executing the Right Tactics

SEVEN LOCAL TACTICS

1. Invest to Drive Revenue and Profitability
2. Collect “Raving Fan” Reviews and Respond Promptly
3. Optimize Google Business Profile & Local SEO
4. Maximize Your Local Services Ads (LSA) and Pay-Per-Click (PPC) Strategy
5. Introduce Compelling Offers
6. Expand Beyond Digital Tactics with an Effective Ground Game
7. Hire Ahead of Demand



Common Misconceptions about Customer Financing

<u>Perception</u>	<u>Reality</u>
I have to <i>sell</i> financing.	You get to <i>offer</i> different payment options .
Financing is complicated & time consuming to manage.	Financing partners can help by recommending best options and how to include financing in your sales and profitability strategy.
People may be offended or insulted when offered financing.	For many, payment options are expected & financing can be a preference. Offer it every time, to every customer.
Financing costs will reduce my margins.	Closing the sale is more important than reduced margins. With the Service Professional already on-site – sell the job!
My business is fine without payment options.	Is there opportunity to improve close rates for the “no’s”? Or book more calls by offering payment options?
Customers want discounts to close the deal.	Consider using payment options as the giveaway. Don’t reduce pricing, rather help customers afford larger projects.
The qualification process is difficult.	Financing partners manage the application, qualified amounts, and any future account related questions.

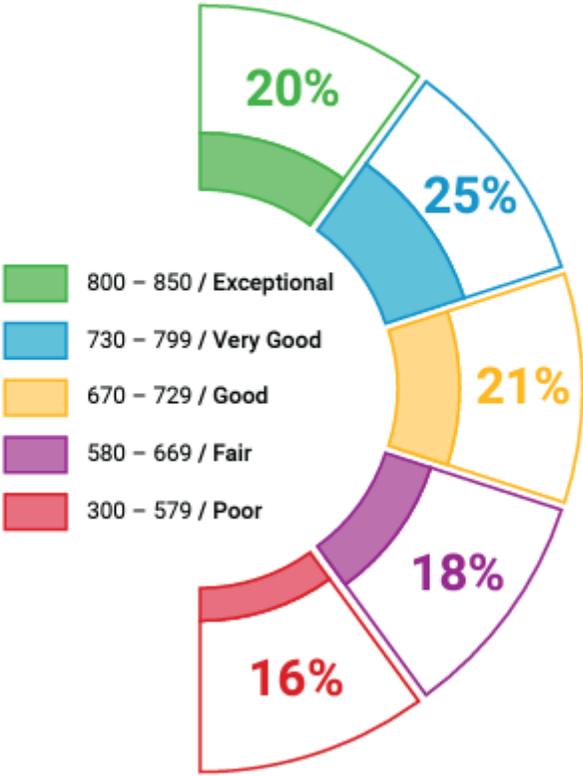
Give all Customers the Option to Finance



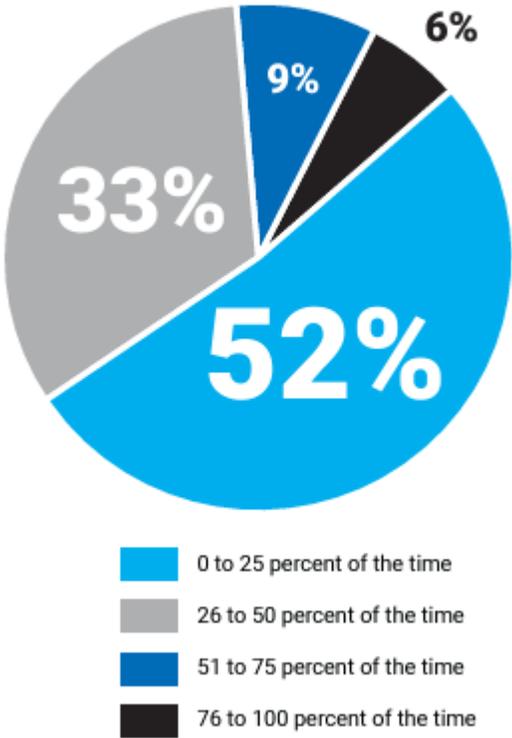
ONLY 43% OF AMERICANS
Can Afford \$1,000
OF HOUSEHOLD EXPENSE
SOURCE: BANKRATE.COM

75% OF PROJECTS OVER
\$2,500
ARE FINANCED
SOURCE: HOMEADVISOR.COM

Percentage of Americans Credit Scores



How Often Do Customers Utilize Financing?



Source: GreenSky & Optimus

Different Financing Options Appeal to Different People

Loan options that attract buyers:

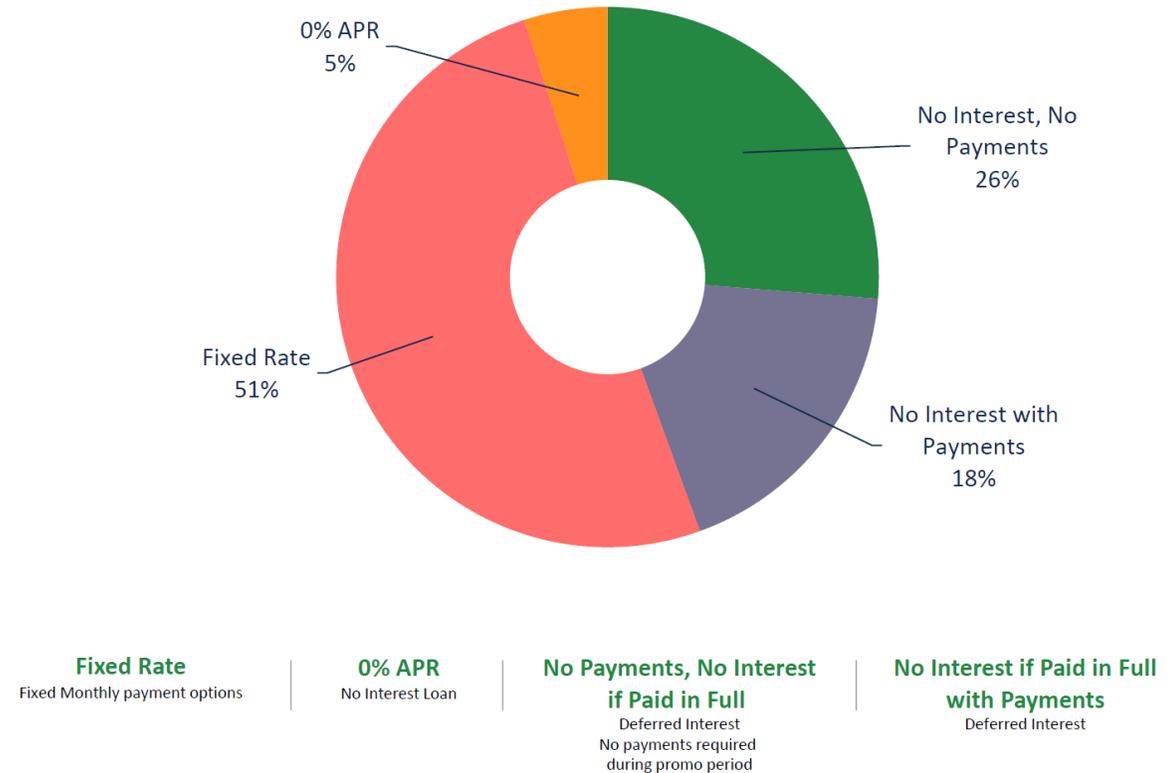
- Deferred Interest Promotions
- Monthly Payment Plans

People are attracted to different types of offers - have more than one offer!

Best Practices:

- Don't make assumptions
- Make the offer and see how they respond
- Advertise financing – let them know before they reach out!

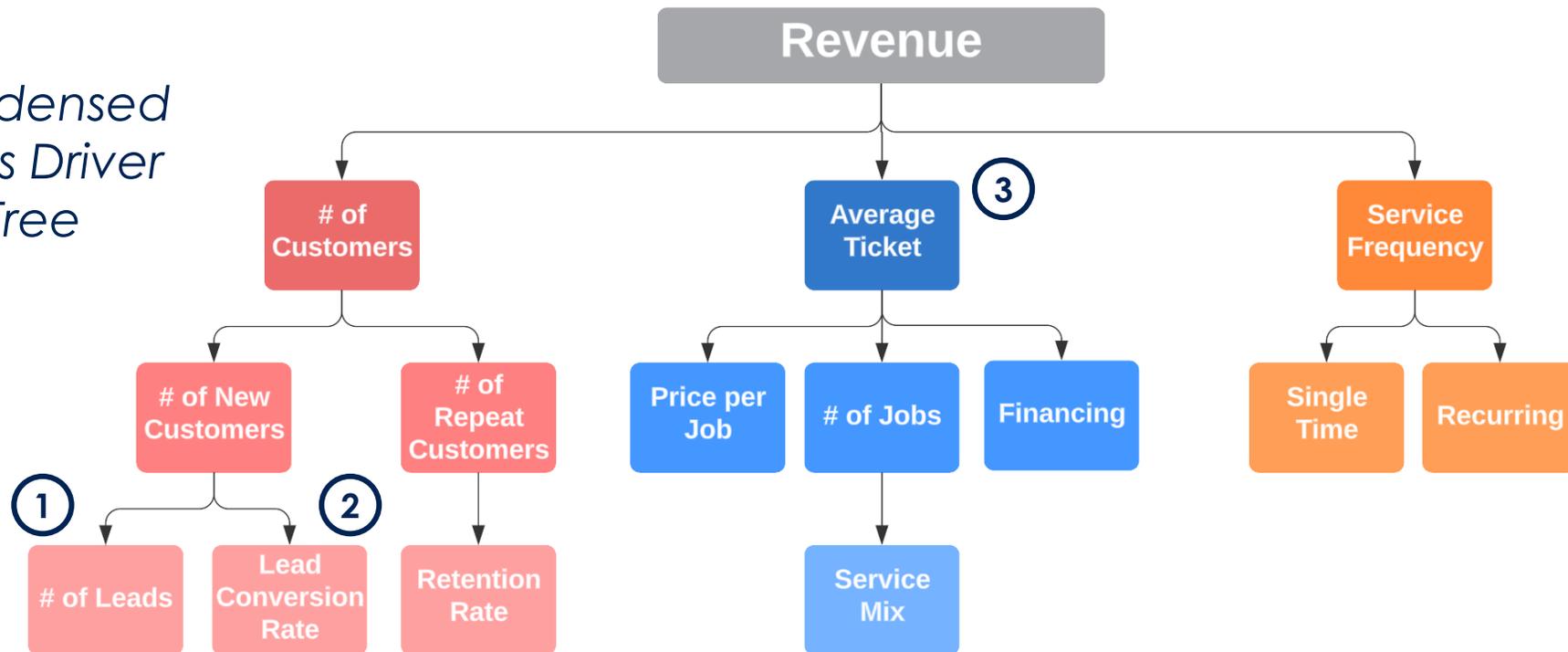
General Plan Usage By GreenSky[®] Merchants



Financing Helps More of Your Leads Become Customers

- ① Advertising financing options can **attract more customers**
- ② Financing options help customers **say yes**
- ③ Financing can increase job averages if approved for **larger repairs or additional projects**

Condensed Sales Driver Tree

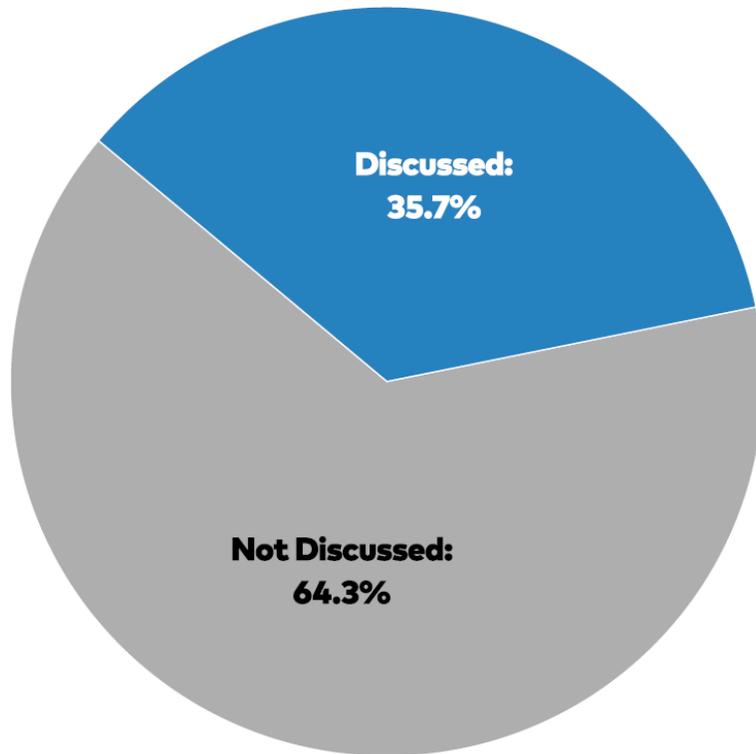


Example of How Financing Impacts Margins

Metric	Without Financing	With Financing	Plus Better Lead Conversion (+5%)	Plus Higher Tickets (+20%)	Plus Higher Close Rates (+10%)
Monthly # of Leads	500	500	500	500	500
Booked Estimates (at 40%)	200	200	225	225	225
Monthly # of Jobs (at 50%)	100	100	110	110	135
Average Ticket Price	\$1,000	\$1,000	\$1,000	\$1,200	\$1,200
Gross Margin (at 30%)	\$300	\$300	\$315	\$360	\$450
Financing Fee (at 8%)	\$0	\$80	\$84	\$96	\$96
# of Financed Jobs (50%)	0	50	50	50	50
Adjusted GM per Job	\$300	\$260	\$273	\$312	\$312
Total GM	\$30,000	\$26,000	\$30,030	\$34,320	\$42,120

Rilla analyzed how some top owners talk about Financing

Finance Tracking in 18k+ Appointments



- Approximately one **third** of service calls between November and January mentioned financing
- Typically, financing was offered 30-45 minutes into the service call
 - Half mentioned financing in general terms
 - The other half used financing as part of their usual Good, Better, Best conversation
- Most service pros didn't mention interest rates or loan terms
 - Those who discuss, stated interest rates between 8% and 12%
 - Loan term lengths were typically 12 or 18 months

Tony Perez – Mr. Rooter Plumbing Of The Twin Cities



Amount of Financed Business in 2024



- GreenSky has been a good partner.
- Every customer is offered financing since it's already being advertised.
- You can make a premium service more attractive & affordable with a financing offer.
- Words of wisdom: You're in business to make money, and you do that when you become a service provider who makes things easy for their customers.

Tony Perez – Mr. Rooter Plumbing Of The Twin Cities

Key Learnings

- **Financing does cost money, but lost opportunities hurt more**
- **Utilize all the tools provided to estimate overall expenses on financing**
 - **Use your rep as a sounding board**
- **Level financing costs across all your jobs, not just that job**

Best Advice about Financing

Create a good relationship with your account rep. They are there for support and creative ideas.

Don't forget - Your financing partner needs to make money as well to maintain the relationship.



Jose Medina – Aire Serv of East Raleigh



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Aire Serv HVAC Financing Options

Welcome to Aire Serv®'s HVAC Financing Options. As we experience increasingly unpredictable weather patterns, a comfortable home environment is no longer just a luxury but a priority to ensure the health and well-being of you and your family.

When your heating or air conditioning system breaks down, it's not just about comfort — it's a matter of safety and necessity. That's why Aire Serv offers flexible HVAC financing options. We're dedicated to ensuring you get the timely HVAC service you need, exactly when you need it.

[Ask Us About Financing](#)

- Operation uses multiple financing partners:
 - Enerbank, GreenSky, Turns (integrated with ServiceTitan), Wells Fargo, & Optimus
- Different providers give you options. We try Enerbank first, then Optimus is a program that tries with GreenSky, then FTL, and then with Mycroft's lease to own program. If one gets denied, try others.
- Advertise everywhere about offering financing. One of our phone tree options sends them right to Enerbank without talking to ASV.

Jose Medina – Aire Serv of East Raleigh

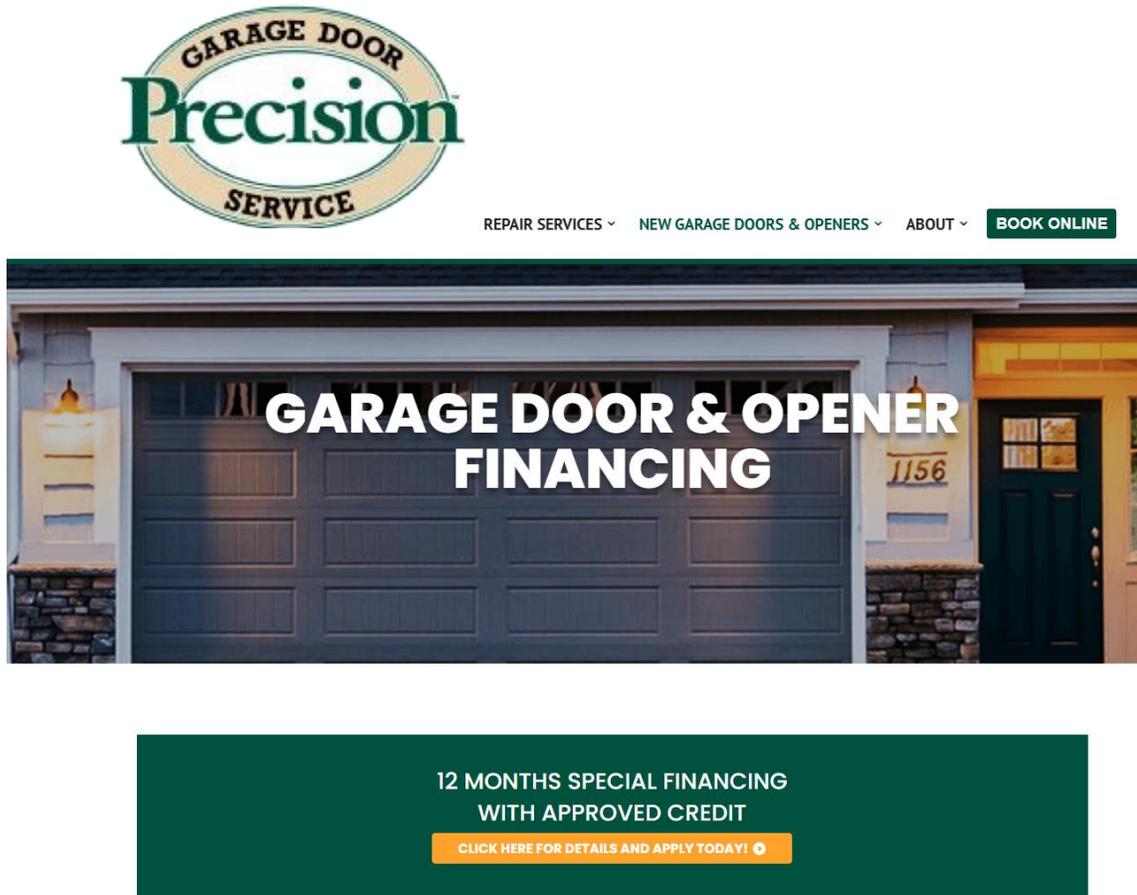
Key Learnings

- Multiple providers mean multiple required training programs, which take time
 - It's still worth it for the flexibility
- Biggest pain point is high fees, but the fees are not worth not closing the job
- Try not to choose any jobs over 12%

Best Advice about Financing

Offer financing to everyone, even if they say cash. Show them the options, and 9 out of 10 times they choose ASV and financing because they're more attractive.

Kelly Hill – CFO of Precision Door of Augusta, et al.



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- Operation is switching to GreenSky for better fees and larger menu of financing options.
- Financing is called out on their website for customers to click for details and apply online.
- Words of wisdom: Go with a financing company that will offer good training, or else you'll need to rely on the owner network for advice.
- Prepare to train your team well; they will determine the success of your offerings.

Kelly Hill – CFO of Precision Door of Augusta, et al.

Key Learnings

- **Buyers want to manage their cash flow**
 - **Sophisticated buyers will know interest is deferred**
 - **Everyone else just needs a lower interest rate**
- **Your Sales team needs to be able to pitch a monthly payment, not just an overall price**

Best Advice about Financing

Stay on top of the financing for your team. There will be systems to connect, non-approved offers given, and someone needs to reconcile the books to see how much you're really paying.



Neighborly's Next Steps – Improving the Process

1) Discovery work

- Current financing usage by brand: *initial perspective is very low adoption today*
- Identify all currently used financing partners
- Determine typical Customer pitch, and timing of financing offer to customers
- Uncover most common reasons for hesitancy when offering customer financing

2) Best Practices

- Best lending partners by brand and/or region
- Best technology partners by brand/CRM system
- Best performing financing script by brand & project
- Best options to advertise financing availability

3) Deployment

- CRM/Sales process-integrated financing tools to reduce friction before & during visit
- Enhanced scripting on the how and when to discuss financing with customers
- Continuing owner education - Online & live coaching
- Heavy focus on Service Professional training → **vital**

You probably still have Questions about Financing

Do I just need one financing partner or **multiple options**?

How much does it cost to add financing for my customers?



How can I change pricing to keep my **margins** intact?

Do I have to **keep track of interest rates** & make changes all the time?

Recommended Next Steps

Explore Your Options:

- What does your business coach think about financing?
- What do your peers think about financing?
- Which financing partners seem best suited for your brand?
 - *PTN has a few different partners to consider*
 - *Your average ticket size could be a determining factor for best partner fit*
- Let us know what challenges you face & best practices you think others should adopt

Unlocking Growth Webinar Recordings and Resources



Survey



Thank You