

Is Poor Cash Flow Crippling YOUR Growth Potential ?

Lynnray Financial Corporation (LFC) recognizes the challenges rent-to-own (RTO) storeowners face, especially in balancing inventory and cash flow. Traditional lending and floor planning sources are of limited value in the standard RTO store model, especially for younger businesses. LFC has created a program to address problems that arise when it is necessary to purchase more inventory than the current income of the business can support. **Improving cash flow is the focus.** Consider the following example:

An RTO store wishes to purchase ten large screen televisions for its rental inventory for \$10,000.00, but is unsure if this is an appropriate time for such an investment. The storeowner recognizes the need to have a good inventory for the showroom but is concerned the new items may not all rent for several months. The store's traditional floor planning source will require three equal payments of \$3,333.00 over the next ninety days. Even assuming all the televisions can immediately be rented for the standard \$139.00/month rate (each), the business will have a negative cash flow on the goods of \$1,943.00/month for over seven months. In the past, RTO storeowners have been forced to make these financially risky decisions out of necessity. LFC has created a much safer and more palatable alternative: The 27-Month Deferred Program. Consider the above scenario but under LFC's new program guidelines.

LFC provides \$10,000.00 funding for the purchase. The RTO storeowner has only an initial outlay of the

first payment of \$100.00. The payments for months two and three are also only \$100.00. Then the store repays LFC \$486.00 /month for twenty-four months and a final 10% purchase option of \$1,000.00. The benefits are clearly evident; instead of being required to pay the entire \$10,000.00 in the first three months,

the storeowner has only to pay \$489.00. This has the additional benefit of allowing ninety days to find customers for the new inventory. The store then has the potential to realize \$1,390.00 in rental income per month while only having a \$486.00 obligation to LFC, so the business never experiences negative cash flow.

The profits are equally attractive;

the business has the opportunity to make up to \$37,530.00 in profits for an investment of \$13,053.00.

LFC has been providing financing to businesses for over twenty years with a focus on providing owners of rental stores dynamic financing solutions. If your RTO store is interested in expanding its inventory, improving its cash flow, and realizing an immediate return on investment please contact LFC, even if you are new in business. A representative will respond immediately to answer any questions and process your application. Applications under \$100,000.00 typically take forty-eight hours to approve. Additional information on the application process and credit criteria is available upon request.

*Lynnray Financial Corporation: The Rent-To-Own Industry's source for long-term financing. **Please call us at 1-800-535-4138.***

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