BUY HERE
PAY HERE

VS.

LTO®
Lease'T'Own®

Head to Head

Northland Auto Enterprises, Inc.
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Northland

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Intro

For over 25 years, Northland has been in the business of increasing sales, bottom line profits and marketing opportunities within the automotive industry. Our offerings include the original used car leasing program – Lease'T'Own®, Fleet Financing, Daily Rental Program, GPS Units, Warranties, and Dealer Supplies.

The purpose of this Ebook is to publish the findings of a study comparing the profits from BHPH vs. Lease'T'Own® - Head to Head, Apples to Apples.

The results were undeniably in favor of Lease'T'Own®.

Criteria used for the comparison:

- the same number of cars
- bringing in the same income
- deducting the same operating expense
- same tax rates
- same down payment
- the same everything

It was figured that on average it would be realistic for a dealer to sell or lease 10 cars per month for 12 months.

The time frame used for the comparison was January – December.

National averages were provided through NCM associates for the cost of vehicles, weekly payments, and average contract length.

Here are the shocking results…….

End of Year 1

At the end of the first year, BHPH brings in a little over 68,000 compared to Lease'T'Own® at 224,000.

BHPH		Northland Lease'T'Own®	
End of Year 1	$68,000	End of Year 1	$224,000

How many cars can you buy for year 2 with just $68,000?

How many cars can you buy for $224,000?

You can decide which one is better for you but I have to remind you that ***Cash flow is KING!***

WOW!

For the same amount of work, that's a BIG difference!

End of Contract

When the contracts end, BHPH has brought in $948,000 compared to Lease'T'Own® at $1,087,000. Deducting the original cost of the cars will show you the actual Net Profit gained on these cars.

BHPH		Northland's Lease'T'Own®	
End of Year 1	$68,000	End of Year 1	$224,000
End of Contracts	$948,000	End of Contract	$1,087,000
Cost of Cars	- $550,000	Cost of Cars	- $550,000
NET PROFIT	$398,000	NET PROFIT	$537,000

$139,000 difference!

The Clear Winner!

DEDUCTIONS

Did we mention that these BHPH profit figures are **BEFORE** any deductions for bankruptcies and repossessions?

You need to deduct these expenses from net profit.

OUCH – that sure cuts away at the profit doesn't it?

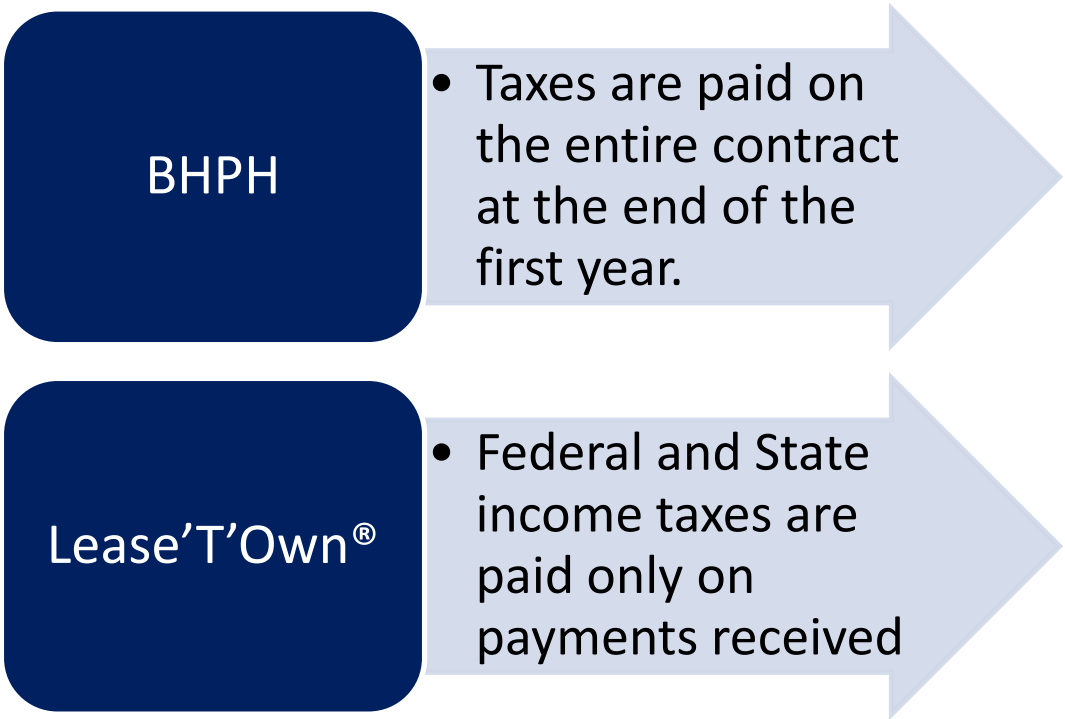
BHPH		Northland's Lease'T'Own®	
End of Year 1	$68,000	End of Year 1	$224,000
End of Contract	$948,000	End of Contract	$1,087,000
Cost of Cars	- $550,000	Cost of Cars	- $550,000
NET PROFIT	$398,000	NET PROFIT	$537,000
Repo Costs	- $39,000	Repo Costs	-
TOTAL	$359,000	TOTAL	$537,000

No deductions are needed for Lease'T'Own®!

With Lease'T'Own® since you are the owner of the vehicle, there are no bankruptcies and no repossessions so the profit figure you see is what you get - $537,000!

HERE'S WHY

The reason for this net profit difference is primarily due to Lease'T'Own®'s tax advantages.



For this comparison, average tax rates were used. Contact Northland to run this model against your specific state and federal income tax rates.
800-879-3433

Northland's Lease'T'Own® program follows the basic premise of BHPH. The Sub-Prime customer base is the target market, customers make weekly or bi-weekly payments to the dealership and collections are a big piece of the program.

Where Lease'T'Own® differs greatly is in the title and registration of the vehicle. The dealership (Lessor) retains ownership of the vehicle and the customer (Lessee) is paying you for the periodic use of the car with the option to return it or buy it at any time.

By having the vehicle titled to the dealership, it provides you with strong leverage against delinquent payments, bankruptcies, and repossessions.

The Original Used Car Leasing Program!

SUMMARY

So let's go back over what we've learned:

- ☑ We learned that BHPH actually operates very similar to Lease'T'Own®.
- ☑ We learned that Lease'T'Own® provides more net profit than BHPH for a similar amount of effort.
- ☑ We learned that being titled owner of the vehicle provides you with leverage against delinquent payers, protection against bankruptcies, and eliminates the need for costly and time consuming repossessions.
- ☑ And most importantly, we learned that Lease'T'Own® provides you with more PROFIT!

To learn more about Lease'T'Own® please contact Northland.

800-879-3433
www.NorthlandDealers.com
www.RtoLto.com
www.TheOriginalUsedCarLease.com

When you start up your Lease'T'Own business®, you are not alone like you were when you started BHPH. Northland is with you every step of the way.

Northland has 25+ years experience in the leasing business and have a Nationwide network of dealers who support each other as well.

The Lease'T'Own® program has additional benefits that we didn't even touch on in this paper!