

3 New Ways to Use Equipment Loans to Improve Your Small Business

Technology moves pretty fast these days, and as a small business owner, you need to make sure your equipment can keep up with demand. Traditionally, most business owners use an [equipment loan](#) to finance new or upgraded equipment like heavy machinery, trucks for a delivery business, or ovens for a restaurant. However, you can get innovative with how you use [equipment financing](#) for your small business.

First, what is an equipment loan?

Business equipment loans help business owners acquire equipment that would normally be too expensive to buy with cash. The equipment you're financing can also [act as your collateral](#), which means you can [secure a loan without spending money](#) upfront. Most lenders will require you to be in business at least 12 months with \$50,000 or more in annual revenue, and a credit score of 650 or higher.

Since every type of business has specific needs, there are small business equipment financing options for nearly every industry. Equipment loans are relatively easy to obtain (when compared with traditional term loans), and they help preserve cash flow for your small business. There are restrictions, though: with most types of equipment loan, you can only use the capital to buy the specified equipment, which means you should have a plan for exactly what type of equipment you need and what the return on investment will be.

Get creative with equipment in your small business

With the right equipment, you can not only increase efficiency in your business, but also customer and employee loyalty. Beyond using equipment financing to buy the tools you need to operate or for major operational upgrades, consider using equipment loans for smaller pieces of technology that will have a big impact on your customer and employee satisfaction.

Purchase tablets to empower your customers.

With the right software, you can turn tablets into assets that will further engage your customers and allow you to provide better service to them. If you're a restaurant or cafe with made-to-order items, you can give customers a chance to review their options before they approach the register. If you're a beauty salon owner, you can skip the mass-produced catalogues and use tablets to provide examples of your own work, or styles hand-picked by your staff, to provide a more customized experience for customers in your salon.

Since customer reviews are critical for small businesses, use tablets to provide an opportunity for your customers to leave a review of their experience before they leave. Have stations set-up with tablets to make it easy for happy customers to leave positive feedback while the experience is top of mind.

Invest in a flexible POS (point of sale) system to increase efficiency.

A smooth checkout process is beneficial to both your business efficiency and customer satisfaction, and with a POS system that takes multiple factors and needs into consideration, your small business can increase its revenue. There are a couple of factors to consider when upgrading your POS system:

- Do you offer mobile services? Say you have a towing company. With a mobile POS system, your drivers can accept payment from customers on the spot, eliminating paperwork. With plug-and-play options like Square and PayPal, your employees won't need to carry around special equipment; all they need is a compatible smartphone.
- Does your industry have specific needs? Restaurants in particular need to have POS systems that understand the nuances of menu layouts, invoicing, and time clocks. If you have a business with a lot of inventory or multiple locations, you'll need to invest in a POS system that can accommodate those needs.

Go green: use equipment loans to become more energy-efficient.

In addition to being environmentally-friendly, having a green business comes with tax incentives. There are a few relatively easy ways to become an eco-friendly business with equipment loans:

- Buy ENERGYSTAR-qualified equipment. An [ENERGYSTAR](#)-rated appliance has been evaluated and deemed energy-efficient, which can save you money and help you manage energy costs.
- Upgrade to a smart thermostat. With a range of energy-saving features like motion sensors that detect when people are present, smart thermostats can take the hassle out of managing the temperature at your store or place of business while saving you money. Win-win.
- Switch to laptop computers. On average, laptop computers are more efficient and [use 80 percent less energy](#) than desktop computers.

With the right plan, you can make a lasting impact on your business using equipment financing.

Once you have the right tools you need to operate, shift your focus to using equipment loans to increase efficiency and customer satisfaction, and ultimately, your bottom line.