



# Proactive Financing Programs

A Strategic Initiative For Current Economic Climate

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## Current economic crisis has exacerbated a slowdown in the legal market that has seen law firms report significant drop in productivity:

The current economic situation has resulted in the end of a 6 year period of tremendous revenue and profit growth among law firms in the US. As the government and central banks develop programs of assistance it is quite likely that it will take many months before significant turn-around is realized. As a result there will be significant strain on law firms that have ambitious IT investment requirements and now more than ever it is critical that your sales organization understands the importance of implementing financing programs at top of sales cycle.

## Updated Section 179 Guidelines

Claiming a Section 179 deduction, a law firm may deduct up to **\$128,000** in equipment or software purchased or leased during 2009. This means up to \$128,00 can be expensed this year if it is placed into service by December 31, 2009. This results in immediate tax savings for qualifying business entities.. Most law firms are unaware that their technology investment can qualify for Section 179 and this is an excellent reason to contact a client and suggest they call Baytree for more information regarding Section 179 in what remains of 2008. The flexible nature of leasing allows for structures that have unique tax implications, and can drastically affect the amount of Section 179 deductions for which the firm will or will not qualify. At Baytree, we will help to structure the financing of the software technology/ equipment purchase and work to create a lease that not only serves the firms needs, but also them to claim as much Section 179 benefit as possible.

## Financing Programs Conserve Working Capital and Preserve Existing Credit Lines

The current credit crisis has altered the relationship many firms have with their banks and has limited access to credit lines that were once available at very favorable interest rates. Increasingly, firms are now subject to covenants that require personal guaranty and subordination of income. Additionally, firms that had working capital reserves are faced with several other competing interests for deployment of those resources. Introduction of financing programs establishes control of the technology sale with you and has the effect of shortening sales cycles, increasing the size of the transaction and creating higher GP margins. You have the ability to set interest rates based on your usual discounting policy and in many cases, the introduction of the finance program accelerates call to action since it is offered as a limited time promotion. Baytree has created easy to use tools that empower your ability to offset budget and pricing objections.

## Consultative Approach Focused on Sharing Optimistic Vision

Law firms are going to take a hard look at their current business practices and technology requirements. This is a time for them to make evaluations of where they can improve efficiencies and control costs. This is a time when firms will examine the fundamentals of their business. Remind them that the current downturn is temporary. According to all industry reports the long term prospects for the legal industry remain very good. This is the best time to demonstrate the value of your technology proposition as firms will want to invest in the future of their organizations. Financing programs provide the firm with the ability to match expense to utilization on fixed, convenient, predictable and affordable monthly payment plans. Baytree has deferred payment plans, step payment plans and flexible end of term structuring options to meet all possible requirements. Visit our web link below for more information and call us to review all of the programs, tools, resources and best practice tips for effective implementation. We can create customized branding of marketing programs and web content.

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