# Three Tier Explanation Concept

When explaining any element of the lease, products or services, each consultant should have a Short, a Medium & a Long explanation ready and use those explanations in that order, only moving to the next if the customer does not understand the provided explanation.

**Short** should be a few sentences to explain the concept  
**Medium** should be about a paragraph explanation of the concept, more in depth than short but not with examples  
**Long** should be a paragraph or more, with examples of the scenarios that occur and breaks for the customer to ask questions

This benefits the consultant by:  
1. Saving time by only explaining as far as the customer needs in order for them to understand  
2. Building rapport by not wasting time over-explaining and also by going into as much detail as is needed by the customer

This benefits the customer by:  
1. Gaining a greater level of trust with the consultant as they are willing to explain in as much depth as is needed for them to understand  
2. Feeling listened to - when the customer says that they understand, the consultant does not go into further detail, when they are not following, then the consultant makes sure they do

### Example:

**Short**:

A residual value is like a balloon payment meaning you pay a portion of the car down during the lease with a portion left owing at the end, you have 3 options, extend the lease for the residual amount, sell the car and go for another or payout the residual and own the car outright.

**Medium**:

The residual is a fixed percentage of the car that is not paid off during the lease and so is left remaining, it will be listed on each quote I send you so you know exactly what you would be up for, at the end of the lease, we will contact you to see what you would like to do so it is not a surprise and we’ll talk you through the options.  
If you’d like to extend the lease and keep going, we extend it from the residual down to another residual amount.  
If you’d like to sell the car, then anything you sell it for over the residual is yours to keep, anything under you would need to pay.  
If you’d like to own the car outright then you can pay the residual amount and the lease finishes.

**Long**:

Let’s assume you purchased a $50,000 car and put it on a 5 year lease, you would pay down over that 5 years $36,000 and still owe $14,000 as a residual value.   
The benefit being that your repayments on the lease are lower and you never put more money into the car than was necessary as ideally you have a car that is worth $14,000 or more.   
(so picking the right car is important).  
The residual is listed on every quote so there is no surprises for you and you know what you are up for when the lease ends.  
We would give you a call about 9 months out and talk you through the options that you have with the $14,000 that’s owing on the car.  
If you love the car and want to stay in it and keep the tax savings going, we can extend the lease and you’d pay down from $14,000 to another residual amount based on the term of the extension.  
If you want to changeover cars, then you can sell or trade in the car, if you sell or trade in the car for $15,000, then $1,000 is yours to keep tax free, if you sell or trade the car for $13,000 then you would need to pay $1,000 to clear the remaining finance owing on it.  
If you love the car and want to own it outright, then you can pay the $14,000 and the car is yours to keep.