

Turbo Leadership Systems™

The **TURBO** **Charger**

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Issue 549

To our clients and friends

August 25, 2015

PAID IN FULL

Win-Win with the Big Bank



Larry W. Dennis, Sr.
President,
Turbo Leadership
Systems©

**Don't Let
"No" Stop
You**

YES

Effective August
28th our new
address and phone
number:

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Tualatin, OR 97062
503-691-2867
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Pat, the secretary treasurer of a large Oregon/Washington truck dealership, told Session 3 of the **Leadership Development Lab (LDL)**,

"In 1980 the large truck dealership I was working in had taken out a \$2.1 million, 8% mortgage to build a new facility on Columbia Blvd. in Portland. I had been hired right after the new facility was completed. By 1982, I began to see our bottom line eroding from the \$20,000 per month high interest payments on the mortgage.

"By that time the dealership had accumulated cash of about \$2 million which I was investing at around 5%. One day I thought, why not pay off this loan and save the interest? We would be ahead each month by the amount we saved versus what we had earned, a net savings of \$60,000. At the time the mortgage rates were around 9%, a little hard for us to believe today. So I wrote to the largest bank in Oregon at the time and asked how we could arrange for an early payoff.

"I received a letter from the bank a week later. They said they would be happy to have us pay off the loan but there would be a \$210,000 prepayment penalty. Our owner said he would not pay that—it simply was not worth it.

"I thought there had to be a way to make this a win-win situation. So I wrote the bank a second time. I made the case that the N.W. mortgage market was healthy. If they got our payoff they could immediately relend the money at 9% (a 13% increase in profit for them). So that was a win for them. I further stated that they were missing a big opportunity by not waiving the prepayment penalty.

"A couple of weeks later, a letter arrived from the bank. You can imagine my glee when I opened the letter and it read that their loan committee and their executive loan committee had both approved taking the early payoff **with no prepayment penalty**. We had saved \$210,000!! Believe me when I tell you, you have to sell a lot of trucks to net \$210,000.

"The lesson I learned from this experience was to ignore the first 'NO', not to give up just because I have gotten a no, instead I must always explore for a better solution.

"The action I call you to take is to find the win-win point in all negotiations. Think it through—what do we both want? Ask yourself: how can I approach and present my proposal so that the other party sees what is in it for them?

"The benefit you will gain is you will reach your objective and both sides will come out ahead."

**BECOME
AN ENGAGING LEADER!**

Leadership Development Lab

Vancouver and Wilsonville
Starting in September

Reserve your spot!
503-625-1867—admin@turbo.com

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