

FINANCING IT EQUIPMENT

Dispelling the myth of inflated costs

At Veristor Capital, we understand that before embarking on a capital-intensive project, in-depth analyses and predictive models are required to minimize risk and protect your investment. This is especially true with acquiring IT equipment, where there is a common fear that if you lease the equipment, you end up paying more than if you had bought it outright.

If you finance the purchase with your bank, variable interest rates, commitment fees and documentation fees on loans can force the cost of IT equipment to go up, increasing the total cost of ownership. Unfortunately, hidden financing fees like these can end up negating or even exceeding any discounts or promotions you may have factored in during the pre-purchase analysis.

If a lessor of IT equipment does not have access and knowledge of the secondary equipment market place, they will not be able to realize the residual value they assigned to the equipment at the beginning of the lease. As a result they use restrictive terms in their contract to get the residual value from you, driving up your cost. We have all seen these practices; automatic 6 to 12 month renewals at the end of the initial term, specific serial number return of assets, exorbitant charges for missing or damaged items. These and other terms are what drives up the cost of leasing and destroying your original cost and ROI analysis.

Leasing with Veristor Capital mitigates risk with regard to both total cost of ownership, and keeping pace with the most advanced technology. Operational efficiency and systems performance is critical to the operation of your company. Leasing allows you to take advantage of scheduled technology refreshes garnering you increases in productivity and more favorable environments. Veristor Capital can give you personalized flexibility and cost options that can actually boost your bottom line. For example, did you know that with a lease, you can return all of the equipment at end of the lease or selectively purchase only the pieces you want at predetermined prices? You can even upgrade your equipment at any time during the term of the lease. Try doing that when you already own it outright.

Payments can be made monthly, quarterly, semi-annually or annually with a deferred payment option for step payments to match budget availability, as well as payment skips to accommodate seasonal or cyclical cash flow. The Flexible Term Length also allows you to lease equipment for only as long as it's needed with no penalty for ending the lease at any time. You even have the option to bundle equipment, maintenance, software and managed services into one contract.

To design a leasing plan that best meets your needs, it is critical that you have as much information as possible. That's why we've outlined several flexible lease types in the chart below, and included the features and benefits for each.

Flexible Leasing Options

Lease Type	Details	Benefits
Mid-lease Technology Refresh	Upgrade some or all of the equipment during the lease	Benefit from technology upgrades without refinancing and plan for budget upgrades with a planned payment structure
Asset Category Returns	Return equipment for "like" equipment with no serial number restrictions or associated fines	Save on asset tracking time and cost, and avoid return penalties
Flexible End of Lease (EOL) Purchase Valuation	Predetermine EOL buy-out by cost, item, etc.	Budget for selective leased asset retention and plan for cost-effective, mid-lease technology upgrades
Selective Asset Purchase	Return PCs but purchase monitors, for example, at predetermined prices	Retain assets that hold value, maximize workplace productivity
Discounted Lease Extension	Extend a lease with discounted payments	Retain access to equipment after lease termination and avoid workplace disruption
Proactive Asset Loss Valuation	Establish an anticipated asset loss rate and set a value for the loss reflected in the residual value of the leased assets	Eliminate penalties for lost or damaged assets and prorate the cost of shrinkage across the life of the lease
Capacity and Power on Demand	Instantly get capacity and power as you need it	Increase business efficiency and output and improve life-cycle management of storage

Flexibility and Protection with Veristor Capital

Veristor Capital's equipment knowledge, combined with its exclusive access to secondary equipment markets to maximize residual values, puts valuable new technology into your hands - quickly and at a lower TCO.

Let Veristor Capital help you design the lease that drives your business forward. Visit veristor.com/capital for more information.