

Accelerate hybrid cloud and AI transformation with flexible leasing solutions

Customized leasing for IBM Power Systems, IBM Storage solutions, IBM Z and LinuxONE

To meet business demand for stability, agility and resiliency in their IT environment, organizations need a future-ready hybrid cloud infrastructure strategy. According to a study by Forrester Consulting, 79% of respondents plan to increase cloud infrastructure investments in the next 2 years¹. However, organizations still face the challenge of strategically funding their IT infrastructure projects while adhering to tight budgets.



Optimize cash flow with minimized upfront cash outlays



Speed up project approvals by spreading cost over time



Align payments with anticipated benefits

Flexible payment plans for funding your IT infrastructure projects

Integrating servers, storage and software into a more efficient, secure and resilient IT infrastructure can help drive agility and accelerate your cloud and AI initiatives. IBM payment solutions offer flexible funding options to support your IT infrastructure projects, such as customized leases that can help reduce one-time cash outlays, lower payments, match your budget cycles and optimize cash flow.

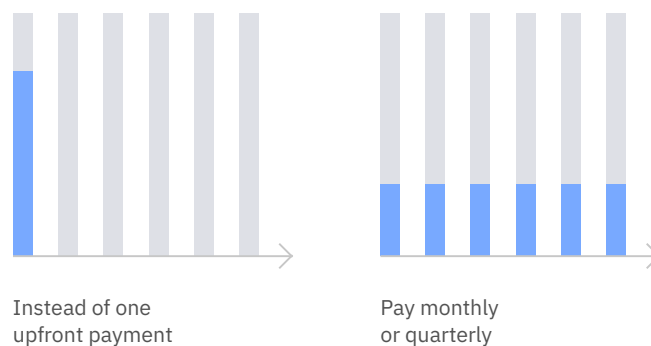
A fair market value (FMV) lease offers payments for the use rather than the ownership of on-premises servers or storage IT infrastructure. During the lease term, you can expand capacity or refresh technology to keep up with new business demands. Since FMV leases are based on a residual value, they offer both lower payments and improved total cost of ownership (TCO) compared to other funding sources.

Stretch budgets and optimize cash flow

When business leaders decide to pay for a new IT solution up front, they need to understand how cash flow is affected. When making IT investments, businesses might prefer to make payments over several periods rather than restrict cash flow initially.

IBM leasing allows clients to optimize cash flow with payment structures that are tailored to specific project requirements.

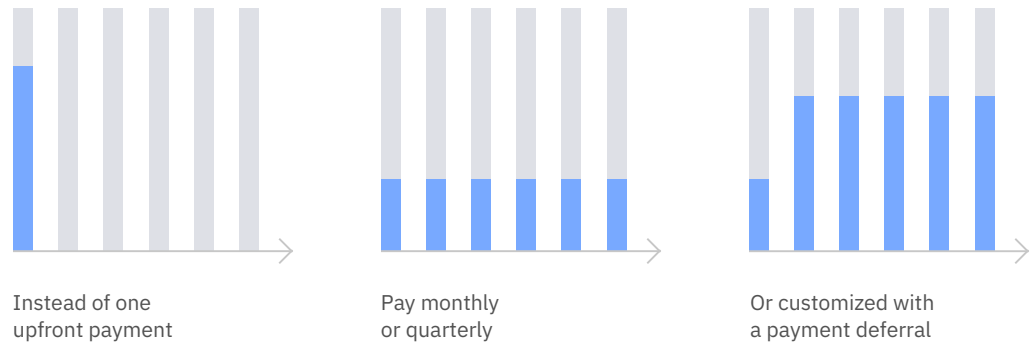
A retail company wanted to double its store IT footprint. To sustain aggressive growth and maintain efficiency, the company deployed IBM Power® Systems servers to support retail operations in every store, with help from an IBM Business Partner. The company took advantage of a flat payments lease agreement to help reach the right price point, optimize cash flow and improve TCO.



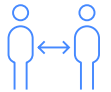
Start projects sooner

IBM leasing provides an alternative source of funding that can help speed up approvals due to reduced one-time cash outlays and cost spread over several budget periods.

Customized payment terms can include deferral of the first payment and can be tailored to budget cycles, project or other business needs.



A retail company, working with an IBM Business Partner, needed a new IBM FlashSystem storage solution. However, their budget for the current year was limited and the company didn't want to own the equipment.



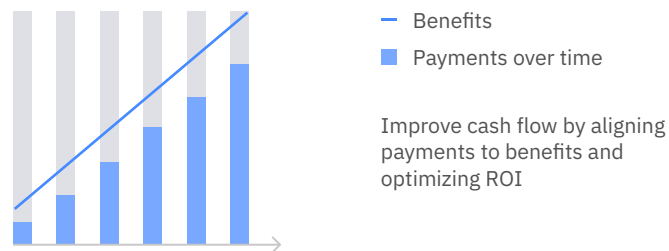
The company chose to fund the acquisition with an IBM FMV lease over 3 years. The lease was structured with an initial payment deferral and provided a net present saving (NPV) of 21% compared to an upfront payment.

The lease offered limited payments during current budget year, midlease growth capabilities, and flexible end-of-lease options—all addressing the company's requirements.

Align payments with anticipated benefits and enhance ROI

Business leaders should consider whether a new solution will deliver enhanced return on investment and when they can expect to realize that return. Aligning payments more closely with anticipated benefits or milestones can help improve ROI for the specific solution or project.

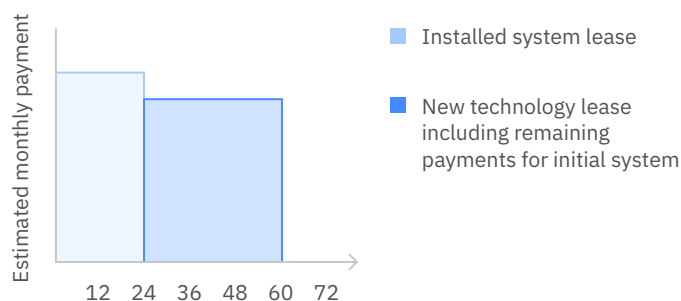
A professional services company consolidated its Oracle Database workload and IFS ERP on the IBM LinuxONE platform. The project helped increase business-critical processing speeds by an average of 450% and added layers of security and flexibility. Working with an IBM Business Partner, the company improved Oracle Database performance with IBM FlashSystem storage. Customized IBM leasing and payment plans were used to accelerate deployment and improve ROI.



Technology lifecycle management

FMV leases protect against technology obsolescence by providing built-in IT infrastructure refresh cycles both mid-lease and at end-of-lease with upgrades or migrations to new technology as needed.

A financial services company needed specific hybrid cloud software for its mainframe infrastructure. By upgrading to a newer IBM Z model by midlease, the company got the hybrid cloud functionality it required and at a lower run rate. The upgrade resulted in a 55% ROI and a break-even of 1.5 years.



Other end-of-lease options include:

- Extend the lease on a monthly basis or for an extra period.
- Buyout your leased hardware at residual value.
- End your lease and return the equipment.

**Product reuse
and recycling can
help support your
sustainability goals**

Companies want to work with organizations that have a sustainability program and can demonstrate current and future investment plans to reduce waste. IBM develops products with consideration for their reuse, recyclability and recoverability to extend product life and minimize product waste.

When leased assets cannot be directly reused, they are refurbished or remanufactured and then certified using rigorous processes and original manufacturing standards. This practice reduces the impact of products on the environment by extending the life of existing IT equipment and eliminating the need to manufacture new products. Only after all refurbishment and reuse opportunities are exhausted will the remaining fractions be sent for recycling and recovery operations.²

**Flexible payment
solutions as a key
component of
funding innovation**

Strategies and solutions for financing IT initiatives are changing as rapidly as the technologies themselves. To remain competitive, IT funding discussions and options should have a seat at the solution table early on.

Funding innovation effectively requires approaches that are adaptable and flexible to meet changing needs. As an IT financing specialist, IBM Global Financing offers experience, expertise, and solutions that can help improve cash flow and accelerate project deployments.

Why IBM?

IBM provides flexible payment solutions for IBM software, IT infrastructure, services, and Red Hat subscriptions and services that may help you start projects sooner, achieve your business goals more quickly, and gain increased flexibility and agility.

For more information

To learn more about FMV leasing visit ibm.com/financing or [contact us](#).



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¹ [The Key To Enterprise Hybrid Cloud Strategy: An Annual Forrester Consulting Study Commissioned By IBM](#), January 2021

² [2019 IBM and the Environment Report](#)