

Accelerate hybrid cloud and AI transformation with flexible leasing solutions for IBM Power Systems servers

Customized leasing for IBM® Power® Systems solutions

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 years.¹ 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.

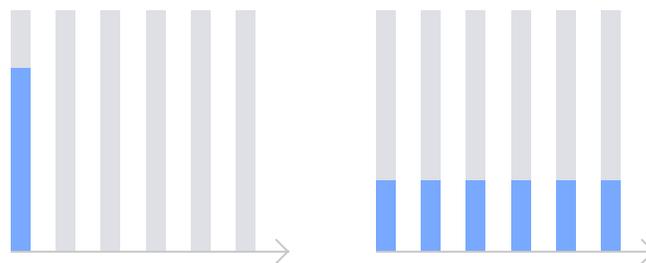
A fair market value (FMV) lease offers payments for the use rather than the ownership of on-premises servers or storage IT infrastructure. During the lease term, you can expand capacity or refresh technology to keep up with new business demands. Since FMV leases are based on a residual value, they offer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



Instead of one upfront payment

Pay monthly or quarterly

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 Power Systems solution. However, their budget for the current year was limited and the company didn't want to own the equipment.



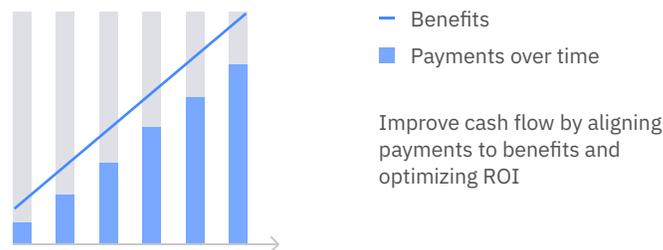
The company chose to fund the acquisition with an IBM FMV lease over 3 years. The lease was structured with an initial payment deferral and provided a net present saving (NPV) of 22% compared to an upfront payment.²

The lease offered limited payments during current budget year, mid-lease 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.

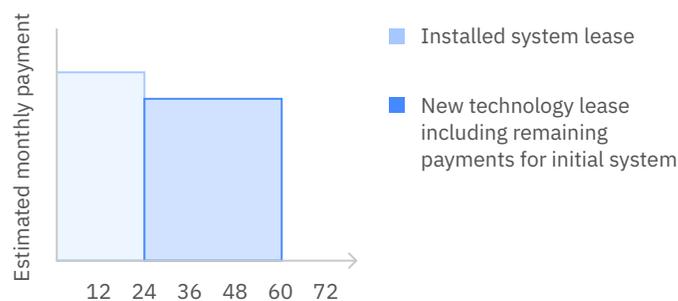
A services provider wanted to reach into new markets and move into the higher-value cloud services market. The company chose IBM Power Systems and IBM FlashSystem to offer cloud IaaS and PaaS services at reduced cost and risk, helping customers to cut Oracle licensing costs by up to 40%. Customized IBM leasing and payment plans were used to accelerate deployment, improve ROI and lower TCO by 17%.



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 enterprise-grade hybrid cloud infrastructure for their business-critical applications. By upgrading to a newer IBM Power Systems model by mid-lease, the company got the security and reliability it required and at a lower run rate. The upgrade resulted in improved ROI and a faster break-even.



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**

IBM develops products with consideration for their reuse, recyclability and recoverability, with the goal of extending product life and minimizing the amount of product waste sent to landfills or for incineration. IBM's Global Asset Recovery Services (GARS) is responsible for remarketing pre-owned and end-of-lease IBM assets externally, reutilizing and redeploying assets internally, and providing an environmentally responsible process for the disposal of scrap IT equipment.

When assets cannot be directly reused, they are remanufactured or refurbished using rigorous processes and original manufacturing standards. Parts are harvested for reutilization, as well as sold externally. These practices extend the life of IT equipment and reduce the need to manufacture new products. After all reuse and remarketing opportunities are exhausted, remaining components are sent for materials recovery and recycling.

IBM's voluntary environmental goal is to reuse or recycle end-of-life products such that the amount of product waste sent by our operations to landfills or to incineration for treatment does not exceed a combined 3% by weight of the total amount processed.³

In 2020, IBM processed more than 16,900 metric tons of end-of-life products and product waste, with 96.5% (by weight) reused, resold or recycled, 3% sent to waste-to-energy for final disposition, and 0.5 percent sent directly to landfills or incineration for treatment.³

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 for IBM Power Systems 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 Net present value savings are for illustration purposes only and based on a client cost of capital of 8%. Actual client savings will vary depending on client's cost of capital, country, term, credit qualifications, and other local conditions.

³ [IBM product recycling programs](#).