

Flexible Capacity Financing



Flexible Capacity Financing from IBM Global Financing (IGF) offers even more advantages by enabling on demand system growth while reducing your total cost of ownership; helping you avoid technology obsolescence; and providing convenient access to flexible credit capacity.

Capacity Upgrade on Demand Financing

When you know you're going to need additional capacity in the future – but don't know when – CUoD Financing can provide the perfect balance of flexibility and affordability. Because it's a conventional lease structure, you get all the benefits of low, predictable monthly payments and flexible end-of-life options. But you also get the ability to activate pre-installed additional processors at any time during your original lease term. An extension to your original lease term keeps your payments low and reflects the longer life expectancy of the system. The cost of the upgrade is rolled in as an affordable addendum lease, so you get all the performance and capacity benefits of a higher-capacity system, for just a modest increase to your monthly payment.

Highlights

- *Offers temporary or permanent capacity on demand options to meet changing business needs*
- *Responds dynamically to peaks and valleys in your computing resource needs*
- *Smooths out variable costs under a fixed-term structure*

Financing on demand, for IBM Capacity on Demand

Three IBM Capacity on Demand (CoD) offerings – Capacity Upgrade on Demand (CUoD), On/Off CoD and Stand-by CoD – let you acquire IBM server, eligible software and storage products with flexible, onsite capacity that can scale very quickly in response to demand for more computing resources. The technology provides an easy way to enable permanent additional capacity at a later date, or a quick, temporary performance upgrade path when system demand is difficult to predict.

More affordable.

More manageable.

More flexible.

On/Off Capacity on Demand Financing

With On/Off CoD Financing, your system is installed with both activated and inactivated processor capacity. You pay a monthly fee over a fixed term for only the base capacity activated at the time of installation. When additional capacity is turned on and off as needed, you pay an additional usage fee for the incremental increase in capacity, billed in processor-days (with a minimum increment of one processor-day). These additional fees can be assessed as one-time charges, or financed on a short-term revolving type of credit arrangement for a period of 12 months, so you can 'smooth out' the billing for peak capacity to a more manageable payment structure. At the end of the short-term financing period the remaining balance, if any, can be paid off in one lump sum, or included in a recalculated lease extension for the remaining term of the base agreement, or rolled into a new term.

Standby Capacity on Demand Financing

In cases where you know you'll require additional capacity, but don't want to start paying for it until you need it, you can opt for IBM Standby CoD plan. This offering works like the On/Off plan, except that the additional capacity, once turned on, is a permanent upgrade. Standby CoD is available for BladeCenter and TotalStorage products. You make monthly base lease payments until the additional capacity is activated, and then an additional charge for the activated capacity. In accordance

with your contract, you must activate the additional capacity within a predetermined time frame, typically within six to 12 months of installation of the base capacity.

Complete your on demand strategy with on demand financing

Becoming on demand can make your organisation more productive, more innovative and more competitive by improving cash flow, enhancing your flexibility, and strengthening the link between what you spend on IT and the business benefits you derive from it. And flexible financial and delivery offerings from IGF can make that transformation – along with all your ongoing on demand investments – more affordable, more manageable and more flexible.

For more information

IGF is one of the world's largest IT financiers, serving over 100,000 customers in 45 countries worldwide. It specialises in IT financing alone and operates as an autonomous unit within IBM. For more information about IGF offerings, and how they can help your company, please contact your local IBM representative or visit our Web site at:

ibm.com/financing/europe



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