

Financial Solutions for Technology and Lifecycle Management

Capital Saver (Prepaid) Lease

A unique Forsythe offering allows organizations to tap their own capital resources to buy “usage rights” for an IT solution versus purchasing title for a perishable commodity.

Overview

- A one-time, up-front payment for a specific usage period.
- Ideal for organizations that have a lot of capital or low-cost capital available.
- A solution that eliminates the interest component inherent within any monthly payment solution.

Benefits

- Use your low-cost funds to purchase “usage rights” to an IT solution for a selected term, avoiding the budgetary pitfalls of amortization schedules while retaining all the operational and financial benefits of an IT lease (i.e. fair market value extension, purchase or termination option at lease expiration, refresh planning, and technology disposal).
- Use to tap either OPEX or CAPEX budget.
- Simplify early upgrade and/or termination alternatives.

Just-in-Time Storage (JIT)

Forsythe's storage blueprint and custom Forsythe financial solutions improve your organization's storage utilization management while incorporating reasoned projections of market pricing trends to create a multi-year, on-site storage capacity access plan.

Overview

- A storage blueprint provides the baseline for JIT capacity, design of storage infrastructure and improvements to operational efficiency.
- JIT's periodic capacity planning process keeps storage demand in sync with business needs and allows the future delivery of storage capacity to occur economically, ahead of your organization's demand.
- JIT provides structure with a flat-line payment stream that enables improved budget management.

Benefits

- Combine the operational and financial benefits of immediate capacity access, market-based pricing and informed decision-making into one strategic solution.
- Reduce complexity and greatly increase efficiency of overall storage management.
- Take advantage of the declining cost of storage.
- Control your organization's storage environment with better management, more information and a more predictable financial model.
- Respond to changing business needs while controlling CAPEX/OPEX, all without giving up control of IT resources.

Capacity On-Demand for Storage (COD)

With a Forsythe storage blueprint in hand, decision-making becomes easier with regard to multi-year, on-site IT storage capacity requirements. COD aligns a streamlined, cost-effective payment plan (typically over three years) with your unique storage requirements. Additional capacity can be “turned on” without the interruption of interim installation. Payments are adjusted according to actual usage.

Overview

- A storage blueprint provides a baseline for COD capacity, design of storage infrastructure and improvements to operational efficiency.
- 100% of your organization's three-year storage capacity requirement is delivered on-site Day One, but you only pay for 60% of the delivered capacity.
- As additional capacity is utilized, payments increase accordingly. The cost per megabyte is automatically reduced by 5% per quarter.
- This program provides for periodic capacity planning to keep storage demand in sync with business needs.

Benefits

- Control your organization's storage environment with better management, more information and a more predictable financial model.
- Respond to changing business needs while controlling your budget more easily.
- Reduce complexity and greatly increase the efficiency of your organization's storage management.
- Take advantage of the declining cost of storage today.

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Installment Purchase Agreement (IPA)

"Buy" your IT solution and, at the same time, position your operation for a timely refresh. The IPA structure passes title and tax depreciation rights (accelerated in 2008) up-front and provides a decreased run rate without locking you into assets that may become functionally obsolete during the depreciation period.

Overview

- Accounting write-down timeframes rarely coincide with optimum refresh windows, meaning IT assets often are retained beyond their useful lives simply because they retain "book value."
- The federal government stimulus package includes an acceleration of the tax depreciation schedules for assets acquired in 2008.
- In 2008, first-year tax depreciation can rise to as much as 60% of the asset acquisition price.
- Lower cash outlay during useful life, resulting from a Remit or Return (ROR) final payment option.

Benefits

- Buy IT solutions and benefit from a decreased cash outflow simply by specifying a reasonable, market-sensitive refresh term.
- Reduce upfront investment, maximize 2008 tax depreciation benefits and position your business for timely solution reviews and refreshes.
- Excellent budget management vehicle for EBITDA measurement.
- The final payment is nullified by returning the IPA assets to Forsythe at the end of the IPA term.

Transition & Migration Services

Most IT refresh solutions present logistical challenges during the transition from the existing solution to the new solution. Forsythe assists clients by anticipating and mitigating these challenges before they become business issues.

Overview

- Costs are incorporated into the monthly lease cost of the IT solution and spread over the usage term.
- Work with Forsythe experts to select the transition window that's best for your business.

Benefits

- Detailed transition plans that address logistical challenges are developed by Forsythe technology professionals.
- The service engagement costs associated with the development and implementation of the transition plan are incorporated into your funding solution.
- Your funding solution is structured to include the necessary window for transition.

Balance Sheet/Budget/Lifecycle Realignment

Almost every data center has IT assets that are carrying a higher or lower balance sheet value than currently reflected in the market. This can translate not only into a skewed balance sheet, but often into budgetary exposure. Forsythe helps you synchronize balance sheets, budgets, and lifecycle commitments to IT solutions to properly reflect the true useful life of assets on paper.

Overview

- IT solutions arrive and depart on a predetermined, operationally cost-effective lifecycle schedule that synchronizes useful life and internal budget expense.
- Enhances asset management and timely disposition of assets.

Benefits

- Eliminate the need to warehouse out-of-service IT.
- Minimize exposure to Sarbanes-Oxley.
- Enable your organization to manage budgets to a more accurate useful life determination for assets.
- In certain situations, the useful life of a particular technology asset may be longer than initially predicted. Forsythe can help you realign your asset(s) to a truer timeframe, reducing the associated year's budget.

Market Basket Funding Solutions

One way to materially reduce the run rate of a funding solution is by agreeing to a set end-of-term financial transition payment obligation. Numerous custom end-of-term options exist to help you find the right fit for your business.

Overview

- Provides consulting services continuity for a specified term following lease expiration.
- Enjoy the special benefits of a Forsythe volume purchase agreement, which applies to solutions from all of the 250+ manufacturers Forsythe represents.

Benefits

- Ensure that budget limitations are not exceeded during the lease term.
- In some instances, you can benefit from 36-month run rates that are comparable to 48-month rates.
- Cash flows can be structured to meet budgetary and other requirements.