

Cash vs. Finance Analogies

CASH	FINANCE
<p>You will need an IT / HT budget If you're thinking of paying cash for an Information Technology / Hi-Tech (IT / HT) solution, you'll either need access to an existing budget or you'll need to create one.</p>	<p>No IT / HT budget required With finance, you can determine your IT / HT spend by making comparisons: first, by looking at the anticipated cost benefits; and then by comparing monthly or quarterly expenditure with other business costs, such as staff or services.</p>
<p>The solution comes second With cash; solutions often need to be broken down into smaller elements, based around availability of budget.</p>	<p>The solution comes first Centrepoint can provide finance that allows the entire solution to be acquired in one go, and can also respond to the need for further investment, without increasing the rental amount.</p>
<p>ROI (Return on Investment) takes years Obviously it depends on the cost of your solution, but with a cash purchase it takes much longer before the cost benefits overtakes the expenditure.</p>	<p>ROI takes months We spread your payments over the agreement period, so cost benefits can be aligned with expenditure.</p>
<p>Impact on the Balance Sheet With a cash purchase, your IT / HT solution is considered to be an Asset, and must appear on the business Balance Sheet, which may affect business liquidity ratios.</p>	<p>No impact on the Balance Sheet Our finance solutions may not affect the Balance Sheet and are tax deductible.</p>
<p>Cashflow controls upgrade When you're ready to scale up your solution, or just to upgrade, more cash will have to found once again.</p>	<p>Upgrade as you need to With our finance solutions you can plan for improvements and upgrade as you need to, in many cases without necessarily increasing your payments.</p>
<p>Cash deposit Some solutions providers will provide staged payment process, but this may require a deposit, typically 30% on order.</p>	<p>No deposit With us there is no deposit and you can even arrange deferred payment.</p>
<p>Board sign-off required Large cash purchases will typically involve a series of approval stages - including board level - which may result in the reduction, deferral or even cancellation of your IT / HT solution.</p>	<p>Departmental sign-off required Many of our customers find that budget sign-off is much easier, and usually requires only departmental approval. This gives your solution a much better chance of sign-off.</p>
<p>Damages cashflow Cash is the life blood of any business and needs to be conserved to ensure existing financial obligations can be met.</p>	<p>Protects cashflow With finance, payments are smaller and more digestible. Also, because the payment never fluctuates, it means that cash flow is much easier to manage.</p>
<p>Addresses business critical issues With a cash purchase, IT / HT will often have to fight against much more business critical areas of spending. Unless the IT / HT solution itself is business critical, it stands a good chance of losing out to projects that are.</p>	<p>Addresses business success issues Centrepoint can help you to create a fund to purchase new solutions, without having to find the cash, or increase your payments.</p>
<p>Slow We all know the speed at which technology is introduced, improved then phased out. Yet cash purchased IT solutions can sometimes wait until the financial year end for sign-off.</p>	<p>Quick If you can demonstrate the ROI of the solution, we can show you how to offset the expenditure against it. If ROI is maintained, then our figures can help close the deal.</p>