The Benefits of Multiyear Service Contracts At-A-Glance

Cisco Capital: Eight Easy Steps

WHY SHOULD I CARE ABOUT MULTIYEAR?

As a customer, you know that network coverage is critical to optimizing the benefits of your Cisco® network. You recognize the convenience and peace of mind in knowing your network will be continually covered. You are financially savvy enough to appreciate the financial benefits of locking in a low price today and eliminating the uncertainty of price increases in the future. What is holding you back?

BENEFITS OF MULTIYEAR CONTRACTS

Keep networks up and running

Protect investments and increase the contribution that your networks make to your business by reducing the cost of downtime.

Maximize return on investment (ROI)

When the solution is maintained and updated on a regular basis, it continues to support the business by operating at a high level for the duration of its working life.

Manage total cost of ownership

The cost of a service contract is rapidly outweighed by the costs to the business of any downtime, especially in terms of credibility and lost business.

Maintain a competitive advantage

Keeping the network current aids businesses in implementing new applications that can lower costs, improve customer service, reduce delivery times, and grow the business.

Maintain business credibility and continuity

Service contracts can help improve availability of applications critical to day-to-day operations and successful business relationships.

WHAT PROBLEMS NEED TO BE SOLVED?

Challenges associated with yearly service maintenance renewal:

- Price increase risk
- Pricing may be more expensive for single year
- Immediate cash outflow for entire year
- Productivity drain

WHAT ARE THE BENEFITS OF FINANCING A CONTRACT?

- No upfront expense: spread the cost of a three-year contract over 36 monthly payments
- Competitive market rates, with promotions enabling financing for as low as 0 percent
- Predictable budgeting to improve liquidity and cash flow, freeing up funds for other projects
- When combined with equipment, one low monthly payment for your entire solution

By financing your solution with Cisco Capital®, your transaction benefits from the Cisco relationship. No need to use bank or other credit lines.

EIGHT EASY STEPS

Cisco Capital provides a great new way for customers to finance their multiyear SMARTnet® contract renewals in eight easy steps.

Step One: Service quote
The Cisco team works with you and your partner to generate a multiyear service renewal quote (such as Cisco SMARTnet maintenance).

Step Two: Financing quote
The Cisco team can provide a simple finance quote corresponding to the service quote and help articulate how the user can use a finance agreement to take advantage of the benefits of signing a multiyear agreement today.

Step Three: Credit request and deal submission:
Submit a credit application or financial information to Cisco Capital for evaluation and a final finance quote based on services price after discount (if original quote was provided at list).

Step Four: Approval and documentation:
Cisco Capital completes credit evaluation prices transaction and provides financing documents.

Step Five: Sign agreement:
Execute documents and provide originals to Cisco Capital with purchase order.

Step Six: Order processing:
Cisco Capital reviews and approves documents and issues a purchase order to the partner for the total order amount. The partner places the order with Cisco directly or through a distributor. Cisco then sets up a service contract.

Step Seven: Fund Invoices:
Upon verification of order placement and receipt of invoice from partner, Cisco Capital funds you for those invoices and commences financing agreement.

Step Eight: Monthly Payment:
Cisco Capital invoices you for monthly payments
Q: How does the Cisco Services-Only financing program work?
A: Cisco Services-Only financing allows you to lock in the price of a three-year service contract today and spread the cost over 36 convenient monthly payments. You will work with Cisco Capital to set up and sign a financing agreement directly with Cisco Capital. After the agreement is signed, Cisco Capital will order and fund the partner for the service contract, after which you will receive monthly invoices from Cisco Capital.

Q: What lease terms and structures are available?
A: The term of the program is 36 months, and payments are billed monthly. The term of the financing contract must match the term of the service contract. Additional flexibility in terms and structures is available upon request. Contact a leasing manager.

Q: Is financing my Cisco Services contract expensive?
A: No. The benefits of improved cash flow will more than offset the minimal cost of the interest on the financing contract and will provide payment predictability and low monthly payments.

Q: Is this a lease? Is there a residual?
A: The Service-Only financing is not a lease but is considered a financing agreement under which the entire value of the contract is paid with interest. The interest rate is fixed for the term of the financing agreement and is based on customer credit profile and transaction size.

Q: Does financing a contract affect my contract price?
A: No. After the contract price is calculated and negotiated with your supplier, the final price to you becomes the amount to be financed by Cisco Capital. A nominal interest charge is added, and a separate financing agreement that specifies the financing terms and conditions and monthly payment amount is drafted.

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Q: What happens if there are changes to the service contract during the lease term?
A: The financing contract is a nonchangeable and noncancelable financing agreement. In the case of additions, an additional financing agreement may be executed conveniently coterminated with the original agreement, and priced accordingly.

Q: Whom can I contact for more information and a financing price quote?
A: For details and more information about the Cisco Capital Services-Only financing programs or for information about how to apply, contact your local Cisco Capital representative at 800 730-4090 or 866 247-2680 or visit www.cisco.com/go/ciscocapital.