

Cisco Capital Financing for the Public Sector



The public sector is operating in a rapidly changing world of regulatory shifts, increasing urbanization, and the lingering effects of the financial crisis. To cut costs and improve services, public sector organizations need to deploy the latest technologies.

Financing from Cisco Capital makes it possible to replace traditional CapEx budget models with OpEx-funded acquisitions so you can cost-effectively implement, maintain, and upgrade technology.

Why finance your technology?

Faced with strong pressure to reduce costs – while improving inter-agency collaboration, delivering innovative and secure public services, and improving productivity – public sector organizations are implementing advanced technologies such as high-speed data networks, unified communications, and cloud computing. However, budget cycles can restrict access to capital expenditure (CapEx),

meaning large projects are often delayed or deployed in stages to match funding availability.

Financing can be a flexible and cost-effective alternative to upfront CapEx investment, and can free up scarce resources. With a range of innovative financing options, Cisco Capital can provide immediate purchasing power, allowing you to bridge the gap between your technology requirements and budget availability.

Case study: state government

Challenge

With its Cisco Capital five-year lease about to end, a state government needed to upgrade the networking infrastructure in more than 120 parliamentary offices. Given its limited IT resources and budget, the government wanted to stage the migration over several months. It also wanted to pay for the routers as it needed them, rather than upfront, but lock in the current price.

Solution

Cisco Capital arranged a new five-year lease for Cisco infrastructure, and allowed the government to implement the equipment over six months and begin paying for the assets over their remaining lifecycle.

Benefits

Although the previous lease had ended, Cisco Capital agreed to leave the old equipment in place during the rollout, and enabled the government to refresh its technology according to its preferred schedule and budget cycles. Because the government had an existing Cisco Capital Master Lease Agreement, arranging a new lease and accessing the funds was quick and easy, with minimal paperwork required.

Tailored financing to improve public services

Cisco Capital offers flexible financing options to help public sector organizations acquire, maintain, upgrade, and dispose of Cisco-based solutions.

Removing financial obstacles to acquiring new technology

Financing from Cisco Capital lets you use current and future budgets to expand the scope of your technology investments. This can help you avoid taking a piecemeal approach to building public sector infrastructure and realize the associated benefits sooner.

By acquiring equipment using operating expenditure (OpEx), and accessing our competitive rates and residual values, you can procure and maintain the latest technology – and improve public services and satisfaction as a result. We can also build lifecycle management plans into your financing agreement to ensure that your infrastructure keeps pace with citizens' needs, technology developments, and security threats.

Enabling collaboration and information sharing

To provide high-quality services to all citizens, regardless of where they live, public sector organizations must become more connected and better coordinated. Agencies are increasingly expected to provide services online, make electronic records more widely available, and communicate in real time using social collaboration technologies. However, these improvements can be hindered by inefficient legacy IT systems.

If disparate legacy systems are an issue, Cisco Capital may be able to structure a sale and leaseback transaction to purchase your existing assets and lease them back to you. This could free up the capital you need to invest in vital new collaboration infrastructure.

Reaching for the cloud

Government, education, and healthcare organizations are embracing cloud computing to increase their operational efficiency and agility while consolidating IT resources. By financing your entire cloud infrastructure project, you can ensure budget availability for all facets of your project, and clearly tie costs to milestones. In addition, our end-of-term flexibility allows you to seamlessly transition from physical infrastructure to a cloud environment, avoiding any associated negative financial impacts.

Increasing financial flexibility

Total-solution financing that covers your hardware, software, and services – including Cisco and third-party technology – reduces administration resources and simplifies the acquisition process. Cisco Capital can offer a tailored financing package, which may include deferred payments, built-in technology refresh cycles, flexible payment terms based on how you use the equipment, co-termination, and a variety of end-of-term options. With an initial financial framework in place, you can easily access additional credit as your technology project develops.