

Benefits of SMB Digital Transformation: Cost Controls

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IN THIS PAPER

Digital transformation usually brings small to midsize businesses (SMBs) new revenue streams and new ways of working, but it comes with its own financial costs, as well as time and effort. HPE Financial Services (HPEFS) is here to help SMBs manage those costs, and help them pay for front-load deployment, test, and initial production phases.

This paper explores the numerous programs HPEFS offers to help SMBs overcome financial barriers to their digital transformations and ensure financial vitality for the business.

Digital transformation is the evolution of business activities, processes, competencies, and models to fully leverage the opportunities and capabilities of new digital technologies. Modern businesses, including SMBs, are under considerable pressure to grow and improve by implementing new technologies to achieve digital transformation. The goal is to bring customers, partners, and suppliers together in real time and empower employees to maximize their productivity. This includes dealing with the financial side of digital transformation, and exploring how to finance and manage the IT estate to enable future growth and the gains it delivers.

HPE drives several primary outcomes for its customers: efficiency, agility, and innovation.

- **Efficiency** comes from task automation that drives IT's costs down, freeing up funds for other projects and activities.
- **Agility** comes from process orchestration, leading to timely execution and speeding response to business requirements.
- **Innovation** occurs when the gains from improved efficiency and agility free people, time, and resources to identify, pursue, and implement new or better business processes and capabilities.

Overcoming SMB Financial Concerns or Limitations

HPE can help SMBs accomplish their own digital transformations while controlling costs. SMBs always seek ways to preserve cash flow, defer or reduce expenses, and relieve capacity strains and delivery delays. To those ends, HPE Financial Services (HPEFS) promotes financial vitality with a portfolio approach to IT investments, including financing, subscription, and asset lifecycle management programs.

By aligning tech assets and business objectives, SMBs can:

- Conserve cash and enjoy predictive pricing through a subscription program
- Manage budget across all company priorities and goals

- Find value in legacy assets to fund new technologies to replace them
- Help ensure business continuity and viability by addressing new technology financing needs
- Cost-effectively manage assets across initiatives and their entire lifecycles

HPEFS has a long history of both financial and technical acumen that, when combined, helps customers create an IT playbook with its SMB customers to help them understand the financing options available to them. This IT playbook helps SMBs ensure that they're taking advantage of the best financing solutions available, staying agile and delivering on business goals.

HPEFS Programs of Interest to SMBs

In addition to industry-standard IT financing options, HPEFS offers a number of finance programs designed to let SMBs cover the costs of a technology refresh or a digital transformation without straining cash flow or threatening business productivity. HPE's programs are designed to bridge the gap between finance and technology, when businesses may need funds to supplement their own resources, as shown in **Figure 1**. Five such programs are described in the subsections that follow.



Figure 1: When internal funding isn't enough to cover costs for digital transformation, HPEFS can help!

GENERATE CASH FROM EXISTING ASSETS

HPEFS helps SMBs free up value from their existing technology assets, which may be converted into capital to purchase new or upgraded technology. Such an incremental capital resource helps close gaps in IT outlays. It also gives SMBs added flexibility to fund other aspects of their businesses. HPEFS can even buy back an SMB's excess newer-generation technology that it no longer needs or wants. Since 2018, HPEFS has turned such assets into \$642M for its clients and customers.

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SUBSCRIBE TO COMPLETE IT SOLUTIONS

To give SMBs an unparalleled opportunity to obtain affordable and timely access to the right IT tools and technologies, HPEFS offers subscription plans for new technology purchases. With delivery and installation guaranteed within a short time after starting a subscription, SMBs can begin using their new capabilities quickly. This program includes seamless upgrades and refresh elements, so SMBs that buy into the program are automatically pricing in upgrades and updates for the foreseeable future.

MATCH PAYMENTS TO PRODUCTION

HPEFS offers SMBs a phased deployment program that lets them acquire compute and storage capacity immediately. They can then take the time they need to configure, test, and deploy systems before making any payment. This allows SMBs to keep their essential business

activities up and running, without having a huge impact on their budget cycles and implementation timelines. Under this program, a deployment schedule can extend as long as 12 months, giving SMBs up to a year to pay for purchases they can put to work immediately, paying only when the equipment starts generating income to offset their costs.

OPTIMIZE LEGACY ENVIRONMENTS

HPEFS offers certified, pre-owned HPE technology to address certain typical SMB situations at reduced cost. Such offerings can be worthwhile for SMBs that need to support legacy applications, ensure business continuity, or provide additional capacity and capability to meet peak or seasonal demands for compute, storage, and networking resources.

SHORT-TERM RENTALS TO RELIEVE CAPACITY STRAIN OR DELIVERY DELAYS

Finally, HPEFS offers short-term rentals from 3 to 12 months for pre-owned HPE technology, and up to 12 months for new HPE PCs. In this way, HPEFS helps SMBs fill gaps resulting from migrations or unplanned impacts to the business (like those prompted by nearly universal work from home regimes in many or most SMBs, which need PCs suitable for their remote workers). Such technology comes factory-configured to meet the SMB's specifications, includes a standard warranty, and is eligible for HPE Pointnext Services support and further warranty extensions.

Other Options for SMBs

In addition to these programs, HPEFS offers other options that may be of interest to its SMB customers, including:

- **HPE Adaptable Use Models:** HPEFS offers such models to its customers as an investment solution with configurable capabilities. SMBs can choose a monthly payment plan with an option to adjust payments up or down based on pre-planned contingencies or needs. This approach gives SMBs more flexibility in managing an extended deployment schedule. It can also help

them cope with uncertainty in forecasting IT demand or in taking on the risks involved in a pilot project.

- **Asset Upcycling Services:** SMBs that choose to cash in on existing legacy IT assets to finance acquisition of new technology must make sure their old technology can't be misused or lead to unwanted information disclosures. HPE's Asset Upcycling Services apply secure overwriting to any storage media traded in. It also guarantees environmentally responsible removal and recycling for all technology, whether it's to be repurposed or retired from service completely.

To give SMBs an unparalleled opportunity to obtain affordable and timely access to the right IT tools and technologies, HPEFS offers subscription plans for new technology purchases.

- **Payment Deferral and Pay-as-you Grow:** HPEFS offers a variety of payment plan options so SMBs gain flexibility in financing—and paying for—their digital transformations. Payment deferral permits outlays to be delayed by up to 90 days under certain circumstances (talk to HPEFS). Pay-as-you-grow plans allow SMBs to take advantage of graduated payments, which start small as new technology gets deployed and grow bigger as that technology starts paying for itself and generating additional revenue.
- **HPE Pre-Provisioning:** This solution lets SMBs obtain quick access to pre-configured, ready-to-run servers, VMs, and other technologies in advance of actual need. A variety of pre-provisioning options for hardware and services are available from HPEFS, so be sure to inquire as to how this might help your business grow as circumstances dictate.

- **HPE Subscription for Servers:** This is the name of the [HPEFS offering](#) that enables SMBs to select a complete technology package from a set of pre-defined options that includes best-in-class computer, storage, and networking hardware, software, accessories, and HPE Pointnext Services for a predictable monthly fee. SMBs simply subscribe, use, return, and renew as they need to, with the option to add to their subscription for more capability and capacity at any time.

HPEFS stands ready to assist and enable its SMB customers to take advantage of the improvements in efficiency, productivity, and profitability that a digital transformation can bring. When you interact with HPE, be sure to ask HPEFS about how it can help your business do and be its best through careful and considered acquisition of IT tools and technologies. HPEFS can help you find the best way for your business to do what it needs to, at an affordable price, on comfortable terms.

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For more information, please visit the [IT Financing Solutions for Small and Midsized Businesses](#) or the [HPEFS pages](#).