Winning an OpEx infrastructure deal with a unique finance model.



PARTNER STORY



Challenge

A Hitachi Vantara reseller needed to build a compelling OpEx proposal for an infrastructure refresh at a leading financial services provider.



Solution

Engaged Arrow's financing team, Arrow Capital Solutions, to deliver a usage-based solution for new storage assets using reseller's branding.



Outcome

Enabled the reseller to win the deal with a prestigious customer, while reducing financial risk and unlocking valuable future opportunities.

Challenge

Building an OpEx Infrastructure Refresh Proposal

For many enterprises, the availability of flexible financing plays a key role in where they decide to procure IT assets. Companies are increasingly shifting away from CapEx purchasing to vendors offering OpEx, usage-based acquisition models. The key benefits are that users can spread payments over time while the IT assets generate value, and retain cash in their businesses to invest in profit-driven activities.

This was the case for one leading American financial services provider. To access the latest functionality, the company planned a refresh of a large portion of its mission-critical data storage environment. A key objective was to move to an asset-light OpEx model, which would give the company access to new solutions without having to purchase the infrastructure outright.



Arrow Electronics

INDUSTRY

Financial Services

SOLUTIONS

Infrastructure Modernization

HARDWARE

Hitachi Virtual Storage Platform (VSP) 5600

SOFTWARE

Hitachi Virtual Storage Platform 5600 Adaptive Data Reduction Activation and Premium Maintenance

SERVICES

Hitachi Vantara Professional Services

PARTNER

Arrow Electronics

CUSTOMER

Leading Financial Services Provider

One vendor interested in the refresh opportunity was a national reseller of Hitachi Vantara solutions. However, the OpEx requirements of the end-customer created significant challenges around how to structure their sales proposal. To minimize exposure to risk, the reseller wanted to avoid owning the IT assets delivered to the financial services provider for the refresh. It also wanted to recognize the revenue related to the sale. Engaging a third-party financing organization to deliver the OpEx solution seemed like a strategic move, but the end-customer was also keen to avoid the complexity of managing contracts with multiple parties.

The question was, how could the reseller offer a compelling, streamlined proposal that would meet the customer's requirements and maximize its own chances of closing the refresh deal?



Our private labeling approach ensured that the reseller retained overall control over the transaction while offering the end-customer a single vendor agreement."

> Louis Centolella III General Manager, North America Arrow Capital Solutions

Solution

Arrow Capital Solutions Delivers Using the Reseller's Branding

To support the engagement with the financial services customer, the reseller engaged Arrow Electronics' financing and leasing team, Arrow Capital Solutions. Quickly understanding the complexities of the situation, Arrow planned and proposed an OpEx solution where they would maintain ownership of the infrastructure for the refresh, thus eliminating the asset ownership issue for the reseller. By using the private label program offered by Arrow, the contract for the refresh would only feature the brand name and logo of the reseller.

To develop the specific terms of the contract, the reseller worked closely with Arrow and the legal and procurement teams of the end-customer. Throughout the process, Arrow

delivered financing expertise, creating a highly-customized framework that satisfied all parties.

The final proposal from the reseller offered the financial services company an OpEx solution over five years, including Hitachi Vantara storage, software and maintenance services. Working with Arrow enabled the reseller to bundle all the products and services needed for the refresh into one framework agreement, radically simplifying contract management for the end-customer.

Louis Centolella III, General Manager, North America, Arrow Capital Solutions, explains: "Arrow Capital Solutions acted as the engine behind the scenes, providing the financing expertise that allowed the reseller to keep the sales engagement moving forward. Our private label approach ensured that the reseller retained overall control over the transaction while offering the end-customer a single vendor agreement."

\$6.7million

Infrastructure refresh deal

Hitachi Vantara reseller wins valuable business supported by Arrow Capital Solutions.

Consolidated framework with end-customer

Private label contract avoids complexity of negotiating multiple third-party agreements.

5 year

OpEx solution

Enables the end-customer to realize goals of asset-light IT strategy.

Outcome

Winning the Deal, While Reducing Risk and Unlocking Value

With Arrow's support, the reseller successfully closed the \$6.7M infrastructure refresh deal with the financial services provider, defeating bids from multiple vendors. Arrow's contribution was crucial to the deal, enabling the reseller to deliver a flexible, asset-light OpEx solution that aligned with the end-customer's vision. Crucially, the private label program meant that the reseller could sidestep the need for negotiating additional third-party financing agreements, which would have created additional friction with the end-customer.

The collaboration with Arrow ensured that the reseller could close the deal, recognize revenue and mitigate their exposure to risk related to collections and asset-ownership.

In addition, Arrow's framework will help the reseller make additional sales to the end-customer. For example, when the next refresh approaches, the customized agreement generated by Arrow will make it quicker and easier for the customer to procure infrastructure from the reseller compared to other vendors.

Louis Centolella III concludes: "By leveraging Arrow Capital Solutions, the reseller has been able to build a lasting relationship and win business with a prestigious financial services provider client. The time and resources that Arrow Capital Solutions put into developing the framework agreement will pay dividends well into the future, placing the reseller in an excellent position to gain repeat business and expand their footprint with the end-customer."

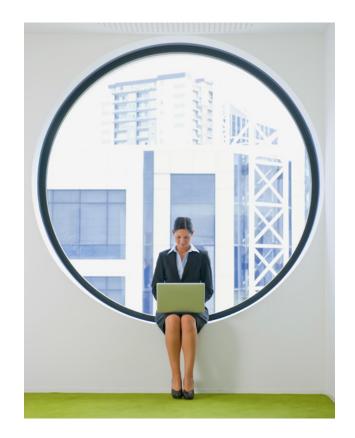
ABOUT ARROW ELECTRONICS

<u>Arrow Electronics</u>, Inc., a global IT distributor. They specialize in buy now, pay later IT financing solutions for customers of all sizes, including commercial, non-profit, educational and government entities.

Arrow Capital Solutions helps customers acquire critical IT products to support their businesses by creating the optimal financing solution. Deals range from \$5K to multimilliondollar transactions over a multiyear period. Customers can customize their payment schedule through monthly, quarterly, annual or seasonal payment frequencies, along with first payment deferrals.

ABOUT HITACHI VANTARA

Hitachi Vantara, a wholly-owned subsidiary of Hitachi Ltd., delivers the intelligent data platforms, infrastructure systems, and digital expertise that supports more than 80% of the Fortune 100. To learn how Hitachi Vantara turns businesses from data-rich to data-driven through agile digital processes, products, and experiences, visit hitachivantara.com.













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