IT funding, made to measure

Oracle Financing’s portfolio of customisable products helps customers optimise investments in order to fund IT expansion. EMEA director for sales and marketing development Stephan van Beek (right) and director for global marketing and business development Steve Guido discuss how stakeholder relationships are evolving, and the challenges in delivering tailored IT financing.

“Technology is changing faster than ever. Never before have banks been able to provide customers with such up-to-the minute services on such a range of devices, and new IT gives significant scope for cutting costs, increasing efficiency and delivering innovative services.

Staying on top of the latest software and hardware is impossible without expending significant resources, however, and CIOs and their colleagues are increasingly under significant pressure to keep costs down while working with slimmed-down departments.

Oracle Financing has been helping companies in this position for more than 20 years, and has worked with a range of customers to harness new technology, while addressing budget realities.

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Flexibility first

“Tailoring financial solutions and acquisition strategies to support the rapidly evolving IT environment has enabled Oracle to build a flexible platform for clients wishing to acquire any of its products and services, whether on or off-premise, traditional or cloud, or even through a hybrid approach,” says van Beek, who has worked for Oracle’s financing subsidiary from its beginning.

This happens, partially, through an acquisition platform, which offers clients cutting-edge technology in tandem with finance products and investment models.

“The platform is designed to help you transition from your current IT infrastructure to emerging architectures,” he adds. “Diverse equipment and financing strategies are necessary tools to help make this move as smooth as possible, and our expert financial advisers can help structure the optimal IT investment strategy to transform clients’ businesses.”

Eyes on the price

There are a few key components that go into developing a successful investment model. First, Oracle brings in experts to work with business managers and IT executives to analyze near and long-term IT goals, to work out what the customer wants to achieve, and by when.

Also essential at this stage are Oracle advisers, who bring with them extensive knowledge of investment best practice for software and hardware, giving the customer the best range of choice on how they want to use, locate, manage and acquire technology.

These consultations are essential to enabling the customer to determine whether the best funding approach is one that will draw from capital expenditure or operating expenditure budgets – often dictated by the size of the company, and what the technology is going to be used for.

“The increasingly diverse nature of IT dictates that no single funding solution will suit all customer needs,” says Steve Guido, who has served as Oracle Financing’s director for global marketing and business development since 2011. “This is why flexibility matters more than ever,” he continues. “We aim to give customers a simple, easy way to do business with us.

“These services, products and licences can be added in a flexible manner, as the customer requires them, in the format or the mix of formats that a customer might require them to be in.”

“We choose to offer a range of options, depending on where that technology is going to be deployed, who’s going to manage it and how it’s going to be acquired. Models range from traditional capital acquisition to cloud-based, subscription types; services match specific technologies to customer needs.”
All change
Van Beek last appeared in this magazine almost two years ago, and it’s a testament to the fast-changing nature of the technology, and the ways in which finance is using it, that so much new is going on.
Finance Director Europe’s previous conversation with the Netherlands-based executive focused on cloud computing, and how companies could dynamically provision IT resources to business units when needed to address spikes in demand, or new opportunities.
All still relevant, of course, but today’s focus has expanded to the Internet of Things, the concept that objects embedded with electronics and unique identifiers can create their own digital network in a physical space.
IT is also increasingly actively mobile, social media is more important than ever at generating new levels of customer intimacy, and big data is bringing new analytical opportunities on a massive scale.
“This idea of the Internet of Things has really given us an explosive growth in device to device communication," says van Beek.
“That has an impact on what customers are acquiring and how, because it’s also a key shift in who’s doing the buying: is it a customer, IT development department or a business as a whole?”

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“The static IT environment is no longer sufficient to support these types of opportunities, needs and business requirements,” says Guido.
Third-platform technologies are a lot more dynamic, which means that customers require a flexible investment model to support the transition to them, and this is at the core of what Oracle Financing does.”

Third way
Guido argues that this has had a significant impact in the way that funding is contemplated, and that responsibilities for procuring it are shifting as a result. Third-platform technologies have introduced a level of control to stakeholders that previously might have been associated with a different stage of the decision-making process.
“Business leaders really are enjoying a wider span of authority,” he adds, “in terms of procuring and deploying new technology to support their charter, acquiring the operational resources that are required to meet business project needs.”
“It’s the expansion of the ‘decision-maker tree’, if you will, to include some new roles that were previously in a different position.”
Guido cites the example of the recent emergence of a new role for company chief marketing officers (CMOs). He argues that predictive analytics and big data, and the types of opportunities that flow from them, enable executives to build a much greater understanding of their customer base.

Personal touch
Understanding what the optimal strategy will be requires a close working relationship between Oracle and its customers, and van Beek argues that one of the key differentiators is that he and his colleagues take the time to get to know clients.
It helps to be part of a company that engineers hardware and software to work together in the cloud and customer data centers, and are therefore able to see trends in a way that others might not, and also to be able to claim to truly understand the technology they are selling – an expertise not always common among the firm’s competitors.
“Not only do we know Oracle’s products inside and out, but we also take the time to get to know our clients over a long period, building up relationships,” he says. “This really contributes to the ease of doing business with us.
“We know what’s happening in the industry. We can provide our clients with more options with respect to initial and mid-term acquisition, for example, and refresh options. This capability puts Oracle Financing in a slightly different situation to some of its competitors.”

Evolutionary process
Finding the right funding can make a big difference to the success or failure of projects. Where some may be funded best through working capital, others might benefit more from payments made over time with leasing contracts that can bring costs in line with the advantages gained from the new technology.
“The correct sort of funding allows businesses to make adjustments to respond to new technology opportunities and evolving business needs,” says van Beek.
“Flexibility is key, not just for the tough challenges faced by companies today, but also for the future decisions that might have to be made, based on twists and turns that can’t be predicted.”

Further information
Oracle Financing
www.oracle.com/us/products/financing