

FROM A SALES MODEL TO AN AS-A-SERVICE MODEL: FINANCIAL AND OPERATIONAL IMPLICATIONS

	SALES MODEL	AS-A-SERVICE MODEL (WITHOUT FINANCE PARTNER)	AS-A-SERVICE MODEL WITH A FINANCE PARTNER LIKE econocom
 YOUR TURNOVER AND MARGIN	Turnover and margin are realised 100% upfront	Turnover and margin are realised over time	Turnover and margin are realised 100% upfront (for the hardware investment part)
 YOUR BILLING PROCESS	1 invoice 1 payment	48 invoices to be sent for a 4-year contract	1 invoice between the supplier and the finance partner
 YOUR CASH COLLECTION, DEBT MONITORING	One-off	48 follow-ups	Followed up by the finance partner
 YOUR CASH POSITION	100% of cash is collected immediately. Payment terms of 30, 60, 90 days	Cash is collected in installments. A source of financing is required (equity or loan)	100% of cash is collected immediately. Payment term of 30 days No pre-financing is required.
 YOUR CREDIT RISK	Short-term credit risk on a large sum of money	Long-term credit risk on a large sum of money	No credit risk for the supplier, the finance partner bears the risk
 YOUR BALANCE-SHEET	Working capital for payment term	More assets and debts on your balance-sheet and impacted ratios	You switch from capex to opex - it is an off-balance solution.
 YOUR SALES CONTRACTS	You use your existing sales contract	You prepare the as-a-service contract	The finance partner provides the as-a-service contract
 CONTRACTUAL DISPUTES	Potential disputes are covered by the legal guarantee. Your reputation is at risk and there may be a financial impact. The customer must take the initiative in case of a dispute.	Reputation and cash are at risk. Risk of non-payment. If this happens, the supplier must take the initiative.	Potential disputes are covered by the legal guarantee. Your reputation is at risk and there may be a financial impact. The customer must take the initiative in case of a dispute.



YOUR RISK
REGARDING
INTEREST RATE
FLUCTUATIONS

No risk

Risk for the
supplier

No risk for the supplier.
The interest rate is
managed by the
finance partner.



ASSET
LIFECYCLE
MANAGEMENT
& REPORTING

Not applicable

Requires knowledge,
experience and maybe
software development.

Managed by the
finance partner



END-OF-LIFE
SERVICES

Responsibility of
the end customer

Responsibility of
the supplier

Responsibility of the
finance partner, with
cooperation of the
supplier



INSIGHTS ON
LIFECYCLE

Limited insights

More insights
available

Full
transparency



CONTROL
OVER RECYCLING
PROCESS

Less control over
the 2nd hand
market

Control over
the recycling
process

Control over the
recycling process,
in consultation
with the supplier



TRANSPORT

Arranged by the
customer

Managed by the
supplier who
may charge fees

Managed by the
finance partner,
in consultation
with the supplier



RESALE

No control over
the resale of
assets

Knowledge and
experience in
resale are
required

Managed by the
finance partner,
in consultation
with the supplier



RELATIONSHIP
MANAGEMENT

You must
manage all
relationships

You must
manage all
relationships

The finance
partner plays the
role of integrator



TECH
UPGRADES

Need to start from
scratch and sign a new
contract

Financial
flexibility and
agility are
required

Future upgrades
can be built in to
increase your
stick factor



COST
WAREHOUSING

Not possible:
all costs paid
upfront

Financial
flexibility and
agility are
required

Possible to
warehouse for an
agreed period until
the go live date