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VARs question finance figures

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Channel players have questioned a survey which has claimed that over three quarters of resellers use finance as a sales tool and for their own IT procurement.

The results form part of leasing and finance firm Syscap's third annual industry survey. It also claimed that 65 per cent of VARs use financing as a sales tool and eight per cent use it for purchasing their own IT equipment.

Philip White, chief executive of Syscap, told CRN: "I'm not surprised by the findings. Irrespective of how much cash end-users have, the most ineffective use of their money is investing it in depreciating IT equipment."

However, a representative from rival finance firm Siemens Financial Services, said: "While the results are promising, we don't feel they give an accurate picture of the market and the challenge faced by both resellers and the finance community.

"Our own research carried out in October, which asked resellers what volume of their sales are financed, revealed that a third of resellers' sales are now financed, which is up from 25 per cent two years ago."

Karen Dyke, retail business director at VAR Triangle, also disagreed with the results of the survey.

"We offer financing and it does have a place, but only about 25 per cent of our transactions involve financing," she said. "The 65 per cent figure seems high. I certainly haven't noticed an increase in the number of customers asking for financing."

Robert May, managing director of reseller Ramsac, said: "Every single one of our VAR quotes provides a financing option, but the reality is that less than five per cent of our customers actually take it up."

White admitted financing still faces challenges. "We have to educate the channel to offer financing and offer it as an embedded part of their value proposition, rather than waiting for a customer to ask for it further down the line," he said.

Syscap's survey also revealed that 70 per cent of end-users use IT finance, while 28 per cent expected to acquire IT every three to five years.

"This further justifies the need for resellers to offer a payment method that matches their customers' business needs," White said. **CRN**

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