



TD SYNEX FINANCING BATTLECARD

Microsoft NCE drives new financial considerations for the annual commitment options! Although the annual commit option could be attractive to your customer based on pricing it does commit both you and your customer to a one year payment schedule that cannot be canceled under the new program terms. Tech Data Capital will take on this annual commitment payment risk on your behalf.

Is Financing a Good Fit?

- Is your end customer considering an annual term with monthly payments?
- Do you have concerns around the one year annual commitment for NCE?
- Would you like to eliminate the credit impact of NCE on your credit limit with TD SYNEX?

Commonly Requested Solutions

- **First payment deferrals:** Microsoft and resellers recognize 100% of the revenue up front while the customer gets to delay their first payment 30–90 days.
- **Align payments to usage:** It is common now that customers would rather pay as they use their products, rather than all up front. This allows them to increase their cash flow and reinvest that money back into the business.
- **Private label Financing:** We can brand our finance agreements as Microsoft or the reseller to create a completely personalized experience.

Common Questions

1. What if the reseller is at credit capacity on their open terms account with TD SYNEX?

- No problem! Any deal closed with TD SYNEX Capital stays off the resellers open terms account with TD SYNEX.
- Financing increases reseller's credit capacity and allows them to go after more deals. account with TD SYNEX.

2. What if I'm trying to close a deal but the end-user is out of budget?

- If the customer is out of budget you can offer them a first payment deferral of 30, 60 or 90 days.
- You can also see if a step payment structure would work for them. They can start low and increase payments over time.
- Offering up monthly payments can help with this objection as well. Monthly payments make it easier for customers to justify the cost of the solution.

3. My customer is out of CAPEX budget. Are you able to structure an OPEX solution?

- If a customer is asking for an OPEX solution, they may just need spread payments instead of all up front.
- Technically, all leases and loans are considered CAPEX due to new accounting rules (ASC 842), but the end-user should consult their Accountant on reporting guidance.



Special Rates

- If you would like to offer your customers a low or no rate financing offering, you can buy down the cost to finance upfront through a rate buy down (RBD).
- This can be accomplished by including an additional discount to the reseller to cover the cost or by providing payment to TD SYNEX Capital upfront.
- A RBD letter acknowledging the RBD amount will need to be signed off by the reseller for the agreed-upon amount.

You Have an Opportunity. What Next?

In order to quote, we need:

- 1. Legal name and address** of the end-using client who will be signing the agreement.
- 2. End-user quote** outlining the products/services to be financed and total cost.
- 3. Deal structure:** Lease or loan? Annual, monthly or quarterly payments? Is a first payment deferral needed, etc.?
- 4. Who is paying the cost of financing?** End-user or vendor/reseller through a RBD?

Email this information to our team at financingteam@techdata.com or call us at **800-307-4588**.

Credit Approval*

If the client is private:

- <**\$500,000**: Application only (in most cases)
- >**\$500,000**: Two years (+interim) audited financials

If the client is public:

- <**\$500,000**: Application only
- >**\$500,000**: We will use publicly available information for financials

Important Items to Address

1. Is the customer aware they are entering into a finance agreement and that signatures are required?
 - a. Transactions >\$150,000 require two signees. If public and can validate C-Level signee, only one signee is required.
2. We can deliver documents electronically (recommended), but we can also send physical documents for ink signatures. Scanned signatures cannot be accepted.
3. Will a RBD be used? If so, who will be responsible for buying down the rate?

The Process at a Glance

1. Provide customer and transaction information.
2. Credit is reviewed and quote created based on credit prescreen.
3. Customer accepts proposal and requests formal credit approval and executable payment agreement.
4. Credit is formally reviewed, and agreements are generated based on credit strength.
5. Customer executes the payment agreement and certificate of incumbency (if required). TDSC will provide an order letter confirming intent to fund the transaction.
6. Product is ordered and shipped through normal ordering process.
7. Customer confirms product receipt by signing the certificate of acceptance (COA).
8. Once required docs are returned to TDSC, along with the reseller invoice, settlement and funding occur, usually within eight business days.

*Payments and rates are based upon final credit approval.

**Program agreements are required for some private label options.