

Conserving cash flow, the lifeblood of business and growth

IP DataSystems helps customers minimize capital outlays and avoid IT obsolescence by using Technology Rotation from Dell Financial Services.



Partner profile



Information Technology | United States



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Tom Murphy

President and Chief Operating Officer,
IP DataSystems

Business needs

As a small business, IP DataSystems needs to maximize cash flow yet keep its IT infrastructure updated—the same as most of its many customers. The company also requires visibility into its customers' lease renewals, so it can help them refresh their technology every three years with new equipment that can deliver greater price-performance.

Business results

- Conserves capital, improves cash flow.
- Provides flexible acquisition options.
- Delivers financial predictability.
- Improves staff efficiency.
- Keeps pace with advancing technology.
- Boosts differentiation.

Solutions at a glance

- Dell Financial Services
 - [Technology Rotation](#)
 - [Technology Ownership](#)



“We signed a master lease agreement with a major global organization worth more than \$6 million that wouldn’t have been possible without Dell Financial Services.”

David Balch

Chief Technology Officer,
IP DataSystems

As a fast-growing, data center and cloud solutions provider, Maryland-based IP DataSystems (IPDS) serves a wide range of small, medium and large enterprise customers. The company, a Dell Technologies Titanium Partner and VMware Principal Partner founded by former EMC Corporation executives, sets itself apart by the amount of engineering it puts into its solutions.

“Our number-one differentiator is our technical bench depth in regard to both pre- and post-sales implementation engineering,” says IPDS President and Chief Operating Officer Tom Murphy. “We focus on the ‘value’ in calling ourselves a ‘value-added reseller.’ As a channel partner, we’re mostly self-sufficient, which lets us be a force multiplier for the Dell EMC and VMware brands.”

While most of the company’s customers are headquartered in the U.S. mid-Atlantic region, many have more widespread U.S. or global operations. Supporting those customers around the world could be tough for the 40-employee organization without the worldwide service and support of Dell Technologies.

Flexible payment options drive growth

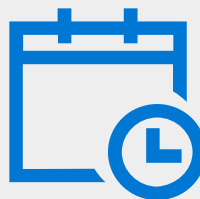
Flexible payment solutions from Dell Financial Services have also been a huge lift for IPDS. That’s true both for its own growth—30 percent annually in recent years—and for capturing more of its customers’ spending.

“First, we conserve our own cash in acquiring the hardware and software we need to equip our employees and provide for our own infrastructure by using Dell Financial Services payment solutions,” Murphy says.

“Then, we can help our customers do the same on their end, which makes us a one-stop shop not only for our technology solutions but also for extremely attractive and flexible payment and technology acquisition options. This really helps to further distinguish us in a highly competitive market.”

Master lease agreement wins deal

David Balch, chief technology officer at IPDS, offers a recent example. “We signed a master lease agreement with a major global organization worth more than \$6 million that wouldn’t have been possible without Dell Financial Services,” he says. “Getting conventional third-party financing or leasing could’ve killed the deal or taken as much as six months to secure.”



Saves weeks,
if not months, versus
conventional financing.



“We can capture our margin dollars up front, improving our cash flow from customer deployments when they use Dell Financial Services. That’s huge for us.”

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According to Balch, more and more customers who would traditionally acquire technology via capital acquisitions and pay with cash are considering leasing and payment options.

“In these uncertain times, they want to conserve their cash to be ready for whatever’s next, while still being able to keep their projects and business rolling along,” he says. “We can provide our customers with tremendous flexibility because Dell Financial Services can offer a payment option for just about any scenario they might have, no matter how unconventional.”

Keeping IT infrastructure updated— and cash flowing

Another Dell Financial Services capability that has powered IPDS’s growth is Technology Rotation. This program establishes a regular rotation cycle to maximize the useful life of a customer’s IT equipment. It reduces the total cost of ownership and risks of technology obsolescence.

“We can simplify procurement and managing leases for both our customers and our company, as Dell Financial Services provides advance notice of lease expirations,” Balch says. “All they have to do is manage their lease run rates. So, every three years they get new equipment with probably double the performance capacity and density for the same run rate. This way, they keep their IT apace with their business requirements in such a way that there aren’t huge spikes in capital spending.”

Murphy notes that Dell Financial Services payment options for IPDS customers provide the company with an additional and vitally important benefit: “We can capture our margin dollars upfront, improving our cash flow from customer deployments when they use Dell Financial Services. That’s huge for us.”

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