



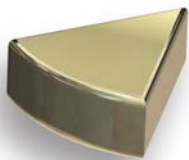
INTELCO

SOFTWARE SUBSCRIPTION SOLUTIONS

Expand your markets, increase sales revenue, improve market penetration and gain new sales in a wider customer base.

Traditional Market ...

Capital Purchase of Software Licences



**Your current prospects:
customers with capital budgets.**
(15% of the market at most)

The lack of a capital budget can lead to the loss of a good sales prospect at the initial stage.

... Today's Market

Software Subscription 'Pay-for-Use'



**Your future prospects
when offering
subscription.**
(15% becomes 100%
of the market)

- No capital budget is needed by the end-user.
- Your expanded prospect base covers every organisation with a need for your software.
- Sales progress faster and with an increased probability of success.

Offer a New Solution

Software subscription is the alternative to purchasing software licences. It allows end-users to acquire applications for a monthly or quarterly charge. It provides them with an operationally more effective and economic alternative to traditional capital purchase.

Subscription adds value to your sales performance by expanding the market, creating incremental revenue, beating the competition and making it easier for end-users to acquire your software.

End-user requirements and suppliers' software change over time. You can service your customer base more effectively by making it easier to add additional licences, upgrade or move to the latest versions of your applications.

... an Intelco Subscription Plan allows you to achieve additional sales revenue and then to benefit from the many future advantages of having a subscription customer base.

- Subscription to your end-users
- Outright sale to you
- An expanded prospect base
- An extended selling season



Software Subscription Appeals to End-users and Suppliers

End-users can acquire the use of Software without a Capital Budget

Customers have the software when they need it, not when they can budget for it.

- Cash flow is improved with no initial capital payments (payments are made from operating budgets).
- Cost justification is easier and directly measurable. Savings vs. Costs replaces Capital ROI calculations.
- Greater flexibility is gained to change software at anytime without balance sheet write-offs, or profit/loss impact.
- One stop shopping – the complete package comes from you, the supplier.

Intelco's Supplier Partners cover a wide range of applications including:

CAD/CAE

GIS

Accountancy Applications

Business Intelligence/OLAP

Computerised Teaching

Medical Theatre Management Systems

Document Management Systems

Energy Management Systems

Subscription Market Sectors include:

Local Government

Health/Education

Utilities

Finance

Commerce

...subscription is used by many of the most successful organisations. They value the budget, cash flow and operational flexibility benefits of software subscription.

Take a look at our user list.

Benefits of Software Subscription to Suppliers

Software Subscription gives you, as a supplier, year round sales opportunities. Sales can be completed at any time in the year and will no longer be constrained by annual budget cycles.

- Your potential market is expanded.
- You gain substantial incremental revenue.
- You are paid the upfront licence fee by Intelco.
- Your maintenance revenue is guaranteed for the rental period.
- The company with no capital budget now becomes a realistic prospect (there are far more of them than those with budgets).
- You get in before the competition, create a clear selling field and differentiate your proposal from the competitors:
 - offer a better solution
 - change the game to your advantage!
- You suffer no delays due to budget processes, achieving:
 - faster sales cycles
 - more efficient use of your sales team
- It gives greater control over the sales process.
- Flexibility makes upgrades, new versions and additional licences easier to sell at any time within existing budgets.
- It creates future opportunities for the business.
- Your own subscription base becomes the best future revenue source.

...well maintained quality applications have a long life. You will benefit from the additional subscription revenues gained as a consequence of continued use by the customer.

Software Subscription Features

Intelco buys software licences (and associated hardware) from the supplier and rents them on to the end-user through a subscription payments system. This gives instant advantages.

- Revenue based 'Pay-for-Use' replaces the capital purchase of licences.
- The customer pays a monthly or quarterly subscription charge for a minimum period of 1 to 5 years.
- UK and US GAAP revenue recognition standards are met.
- Subscription can incorporate selected standard Intelco options:
 - roll-out (phased installation of volume licences)
 - payment holidays
 - transaction based pricing
 - short-term subscription or pilot periods
 - ... and many more
- The supplier is the lead party to the contract which ensures their ongoing participation in the subscription benefits.

The emergence of Subscription Based Services and their subscription based charging for usage illustrates the increasing interest in subscription of software. Intelco Subscription allows you to offer those same benefits 'in-house'.

Subscription payment method as part of a service differs fundamentally with leasing, which does not remove the capital budget and obsolescence problems.

Delivering Software Subscription into the Managed Services and Hosted Services Market

Intelco has delivered Software "Payment-while-Using" systems in partnership with suppliers, to the end-user and prospect base for many years. These are seen by the market as the suppliers' own pro-active usage payment plans. It remains a most effective sales enhancement method.

These have now evolved into the latest subscription payment options which complement the total service approach being adopted by many suppliers.

Managed and Hosted Services

Software subscription is not only the most economical and flexible method of providing software applications systems it is also an integral and essential requirement for suppliers of Managed and Hosted Services.

By providing these services, suppliers allow the whole operational function to be performed as a total service to the benefit of the users.

The Intelco Subscription option allows the supplier to offer the complete service including software applications and hardware without the adverse capital and cash flow effects of setting up the services and without the limitations caused by not having the capital capacity to meet the total market need.

The Intelco Subscription option is therefore an effective alternative to Venture Capital for the suppliers and eliminates the equity dilution implicit in venture capital.

The sale to the customer has the best chance of success: your sales expertise coupled with Intelco's subscription/IT expertise puts the most effective team in front of the prospective customer.

Make software easier to sell.

Make software easier to acquire.



Intelco Services

Customisation

The standard subscription model is adapted to specific requirements using our range of tools and services. This allows you to offer customers sales solutions that match both their needs and your own.

Training/Sales Support

Intelco trains sales teams to make the best use of subscription options through supplier specific workshops.

Intelco provides direct contributions into pre-sales prospect planning.

**Intelco will manage
all administration
and funding.**

Participation

Intelco will help you present the subscription options to new customers.

Experience shows that success rates rise if an Intelco Account Manager is directly involved and able to support the sales person in front of the customer.

Market Development

Intelco will assist you in promoting the availability and benefits of subscription in your Customer/Prospect Base.

We will also distribute information on your software packages into Intelco's Rental Subscription Base.

Take advantage of the benefits that software subscription can offer you. Contact Intelco for more information or call to discuss subscription opportunities for your company or organisation.



INTELCO

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