

Tactical Tips for Solution Provider Success

Which VARs will survive and prosper during a period that many channel executives view as one of high financial volatility and disappearing credit?

This prospective predicts a life-and-death struggle for the solution provider channel, beginning in the near future.

There are those who predict only a slight impact on VAR revenues and profits in 2008, but it would be foolish to ignore the accumulating evidence to the contrary. In fact, the notion that the channel is impervious to a general economic downturn might very well be as flawed as the positions of many of the world's leading economists last fall who concluded that the sub-prime U.S. loan problems would affect only the housing asset class. For instance, there are already reports from corporations such as CDW that indicate many firms have begun to delay spending on IT projects.



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to **SmartMoney**, by Global Technology Finance—the newsletter providing tactical tips, distinct advantages and practical solutions for Solution Providers! Our last issue was so well received that we decided to publish it quarterly and make it available both online and in print. We are looking forward to working as a finance partner to help grow your business. Visit us online at <http://www.4gtf.com/contact> to sign up today to receive your free copy of **SmartMoney**. Let us know if you prefer the print or electronic version.

Capital Financing Designed for Solution Providers by Solution Providers

FINANCE PROGRAM FEATURES	GTF SmartMoney Program	Traditional Banking / Commercial Lenders	Factoring Lenders
No Financial Covenants	✓	—	—
No Administration Fees	✓	—	—
No Line limitations	✓	—	—
No UCC Filing	✓	—	—
No Bad Debt Risk	✓	—	—
No Personal Guarantees	✓	—	—
Minimize Negative Impact on Reseller's Financial Statements	✓	—	—
Reseller not Beholden to Vendor or Distributor	✓	—	—
Function As On-Demand CFO / Treasurer Advisor	✓	—	—
Better Cash Management with Mutually Controlled Lock Box	✓	—	—
Single Source PO / AP / AR Easy Finance On-Demand	✓	—	—
No Upfront Cost	✓	Varies	Varies
No Ownership Dilution	✓	Varies	Varies
Reseller Retain Direct Customer A/R Management	✓	✓	—

The likelihood of a domestic fiscal crisis that is greater than just a "slowdown in domestic growth," as stated by the Chairman of the Federal Reserve, is driving the legislative and executive branches of The Federal Government to work together and take radical steps to prop up the economy and prevent a destructive slide toward recession.

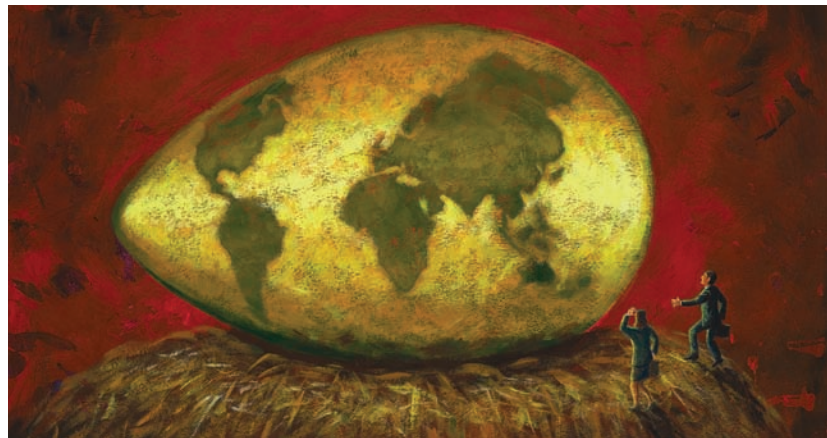
Some companies will dance on the skeletons of other people's mistakes.

Be prepared and make sure that you end up doing the dancing!

VARs Must Hope for the Best While Preparing for the Worst. What Plans Have You Made to Survive?

- Pull out your business plan and question every assumption and goal that went into it. Look for new strategies that are the most likely to produce revenue with the least financial risk.
- Recognize that the three most important things in business are people, product and money. Reevaluate all key employees. Direct people to be entrepreneurs within your company. Consult with, and listen to, your employees. Make training and product knowledge one of your primary strengths. Your employees should all have the skills necessary to produce the right products and the best solutions for your clients.
- Work closely with your clients. Measure and assess what they are projecting for the future. Assure them that you have a thorough understanding of their business along with the ability and flexibility to help them achieve their goals.
- Dig into your Balance Sheet, Income Statement and Cash Flow. Always study them together, as one unit. Develop your new financial plan with realistic estimates of future gross margins; take a hard look at costs. It is critical that you realize you are in a cycle of reduced liquidity. Be aware that banks are already asking for larger down-payments, becoming more restrictive on any credit transactions, and lowering the percentage of any cash they are willing to loan on any deal.
- Make the most of any financial advice you are able to get. Seek expert opinions external to your company. Do it now . . . be ahead of the game.

Access to credit will be the key to success. Superior cash flow planning and quality of service will crown the industry kings



Global Technology Finance Can Help Any Solution Provider Prepare For Future Financial Downturns

It's no wonder that GTF's clients enjoyed over 60% revenue growth last year. Not only does our company provide funding to VARs; we have over 100 years of combined experience as solution providers. Our intimate, day-to-day involvement with our clients results in their unbiased support, redounding to the success and growth of the firm.

GTF is focused solely on solution providers and has provided close to \$4 billion in funding for the channel. From virtualization to server consolidation specialists, we deal with over 400 vendors and offer a broad industry overview that the vendors can then share with their clients.

To survive and grow during this difficult period, VARs must invest in training and demo equipment as never before. They must work closely with OEMs and vendors, and be able to provide on-site service at higher levels than in the past.

By making unlimited capital available, we help our clients free up management time previously spent on balance sheet and cash flow concerns, and allocate it to creating and implementing their business plan instead. Our capital helps VARs stay ahead of the game and stand apart from the crowd.

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