

# Caliach Vision Open-Rental Scheme eases cashflow concerns

One of the major factors delaying investment in new business software is cash availability for software licences and up-front support fees, not made any easier by the current turmoil in the credit markets. Existing software rental schemes appear to address this, but after 3-4 years the need to keep paying rental indefinitely in order to run the software rapidly escalates the Total Cost of Ownership (TCO). With these schemes pre-sales consultancy and implementation assistance can also be limited, compared to traditional capital purchase arrangements.

With the Caliach Vision Open-Rental scheme you get the best of both worlds. Customers simply pay a quarterly rental fee which includes software and support, for a fixed term of 3 years. They are free to adjust the configuration or cancel the arrangement at each quarter, and after the 3 year period simply revert to paying the same single annual support fee as customers who made a capital investment. Before and after sales assistance is exactly the same however the software is financed, and ending the rental after 3 years ensures that TCO is comparable with traditional ERP financing.

Within a couple of weeks of launching the scheme, the first rental site was registered, and several more are in the closing stages. More information and some cost illustrations can be found at:

<http://www.caliach.com/caliach/calvision/costexamples.html>

The Caliach Vision user community continues to expand with both rental and purchase sites including:

- **Connaught Motor Company**  
Automotive Design and Development
- **Connaught Engineering Limited**  
Design and Development of retro-fit Hybrid power units
- **Veranda Living Ltd**  
Steel and Glass Verandas
- **CLIFF Electronic Components Ltd**  
Design and Manufacture of Electromechanical Components

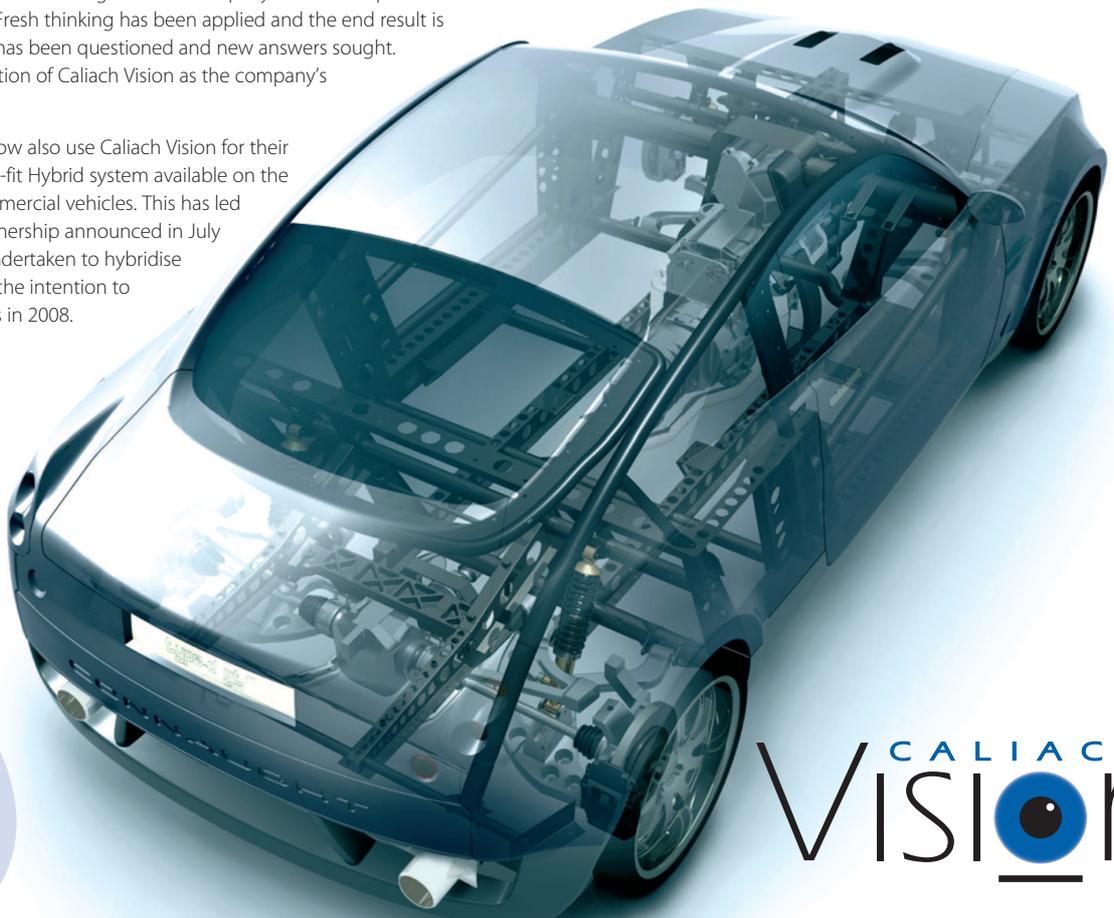


**Connaught Motor Company**  
Specialist Manufacturer of the Year 2006  
Auto Express New Car Honours 2006

**Connaught Engineering Ltd**

The Type-D GT Syracuse from the Connaught Motor Company offers a unique combination of performance and practicality. Fresh thinking has been applied and the end result is truly staggering. Every aspect has been questioned and new answers sought. This approach led to the adoption of Caliach Vision as the company's manufacturing ERP system.

Connaught Engineering Ltd now also use Caliach Vision for their HYBRID+ system, the first retro-fit Hybrid system available on the market designed for light commercial vehicles. This has led to the TESCO/Connaught partnership announced in July 2007 with initial trials being undertaken to hybridise their home delivery fleet with the intention to equip 335 TESCO.com vehicles in 2008.



# Purchase v. Open Rental in more detail

Not only is Caliach Vision easier to implement and run than comparable business software, it is simpler to pay for too!

There are two ways to invest, straightforward Purchase or flexible Open-Rental.

With a Purchase you pay for a software licence with one year's annual support, 50% payable with order and the balance payable 30 days from licence issue. In subsequent years you just pay annual support which includes relicensing.

With Open-Rental you simply pay a quarterly software licence rental fee, which includes support, for a term of three years. There is no obligation to renew at the end of each quarter, and variations to the configuration are permitted with appropriate adjustment to the rental fee. At the end of the three year term

you will be invoiced for one year's annual support and relicensing, and if you pay this you are entitled to continue using the software and renewing your support annually just as in the purchase examples.

The Caliach Vision Open-Rental scheme should not be confused with other ERP rental approaches, where limited pre-sales consultancy and implementation assistance is offered. Our full range of free pre-sales evaluation and review services are followed up by all our standard implementation activities, exactly the same as in a straightforward Purchase Investment. The other major difference is that while traditional rental charges continue indefinitely, eventually increasing the total cost of ownership, Caliach Vision Open-Rental has a fixed three year term, after which only annual support and relicensing charges apply.

## Illustration 1:

**3 user inventory software licence (includes all functionality except ledgers and MRP/CRP)**

### Purchase:

£4,600 software + £690 support = £2,645 deposit with order and £2,645 payable 30 days from licence issue (From the end of the first year, further payments of £690 annually for support and relicensing)

### Open Rental:

12 quarterly rental payments of £630 (From the end of the last rental period, further payments of £690 annually for support and relicensing)

### Estimated consultancy in first year:

4 days at £600 per day = £2,400

## Illustration 2:

**5 user manufacturing licence (includes all functionality except ledgers)**

### Purchase:

£9,000 software + £1,500 support = £5,750 deposit with order and £5,750 payable 30 days from licence issue (From the end of the first year, further payments of £1,500 annually for support and relicensing)

### Open Rental:

12 quarterly rental payments of £1,240 (From the end of the last rental period, further payments of £1,500 annually for support and relicensing)

### Estimated consultancy in first year:

6 days at £600 per day = £3,600

## Illustration 3:

**15 user manufacturing and ledgers licence (includes all functionality)**

### Purchase:

£21,000 software + £3,600 support = £12,300 deposit with order and £12,300 payable 30 days from licence issue (From the end of the first year, further payments of £3,600 annually for support and relicensing)

### Open Rental:

12 quarterly rental payments of £2,880 (From the end of the last rental period, further payments of £3,600 annually for support and relicensing)

### Estimated consultancy in first year:

10 days at £600 per day = £6,000

#### Notes:

1. The illustrations shown are intended to give prospective users of Caliach Vision an indication of typical implementation and ongoing costs. As each new site implementation can be different, and may need configuration or customisation, actual software costs are variable and a final offer can only be made once Caliach Ltd has reviewed your requirements. For example, a site that does not require any customisation may end up with lower costs than those shown, and a site that requires extensive customisation and/or configuration may pay more.
2. All consultancy services shown are invoiced on execution and payable 30 days from invoice.
3. All prices are shown in GBP (£) and are exclusive of VAT (No taxes for sites outside EU).
4. For single company-name site licences, maximum annual support = 3,600 as at 26th September 2007
5. For all of the above illustrations, software licence issue is subject to acceptance of the terms of the Licence and Support Agreement and completion of the Customer Registration Form.



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