

Communications Provider Increases its Return on Equity

IT

PRIVATE EQUITY

HAAS

Challenge

A provider of cloud-based unified communications as a service (UCaaS) and managed service provider (MSP) solutions was searching for ways to preserve its equity financing. Their investors were committed to maintaining a consistent level of annual cash investment, so the organization needed to maximize the efficiency of its existing equity. To achieve this, the team sought a partner who could help slow the deployment of its equity and increase equity return.

Solution

CSC provided a multi-million-dollar lease line to cover the cost of phones that the organization leased to its customers. The team also implemented an accumulating procurement model, which allowed the organization to place a single large purchase order at the end of each quarter, rather than making smaller, individual purchases throughout the year.

CSC also managed the procurement process quarterly, which enabled the organization to avoid using its equity on depreciating assets and enhance return on equity investments.

Results

By partnering with CSC, the organization realized these benefits:

- Predictable payments spread over several years
- Experienced a simpler, more flexible underwriting process
- Non-dilutive financing with no covenants or warrants
- Comprehensive procurement services
- End-to-end asset management