

LifeSize® Flexible Leasing™



When evaluating video conferencing technology, you may ask yourself the obvious question: What do I buy? But equally important is the often overlooked question: How should I buy?

At LifeSize, there are three ways you can choose to acquire your new technology. Two should already be familiar to you – buying or leasing – and both are practical options in certain situations. However, LifeSize® Flexible Leasing™, powered by TAMCO, offers a third option that proves to be a safer, more flexible, and cost-effective method for many businesses. It's called the LifeSize® Smart Lease™ program.

Buying

Paying cash or getting a loan and making payments to your lender may seem to make sense. You then own your equipment, plain and simple. But what do you really own? Technology depreciates very quickly. In fact, investors advise us to buy only those things that appreciate – and to rent or lease everything else.

In addition, a loan cuts into your credit line, something you may need in the future. Remember, money in hand today is worth more than it would be tomorrow. Also consider that ownership offers practically no benefit when it comes time for replacement. Investing your capital into your business instead should bring better returns on your money.

Buying technology may seem right, but it is often not the most economical long-term answer.

Striking the Right Balance

Acquisition decisions go way beyond which video conferencing technology fits best – you must also consider which solutions will work best for the business over all, and how the solution can benefit the company financially.

Need to protect your company's line of credit?

A loan from a lending institution taps into your line of credit, which may be needed further down the road.

Prefer to keep the purchase off your balance sheet? Under accounting guidelines, certain leasing programs will qualify for off-balance sheet classification, which may provide accounting benefits to your organization.*

Focused on tax benefits? Many programs can provide you with tax benefits. For example, the LifeSize Smart Lease program is structured to qualify as an operating expense and may be tax deductible.*

Capital expense or operating expense? Many would advise that technology should not be treated as a capital expense, as it's value depreciates quickly.

Consider the time/value of money. Spending your company's capital on equipment today will most likely not result in a return; investing it in an appreciating asset is a different story.

Traditional Leasing

Signing a lease contract with regular payments spreads the cost of your new technology over a period of time instead of spending a large chunk of capital upfront, making the acquisition much easier on your cash flow. A capital lease, referred to as a \$10 Out Lease in Canada and often known as a \$1 Out or \$1 Purchase Option in the United States, is treated as an asset and liability from an accounting standpoint.

Traditional leasing is geared toward eventual ownership, giving you all the responsibility of your equipment without protecting you from changing business needs. While a viable option for some, a capital lease does not offer much flexibility.

LifeSize® Smart Lease™

So if buying is a waste of money and traditional leasing may be a trap, what other option is there? At LifeSize, we offer a unique program designed to incorporate the best aspects of both these concepts. With LifeSize Smart Lease, you choose the equipment that's right for your business today. But should your business grow or your needs change, you can replace your system with new technology. Your contract will be forgiven and a new one will be issued – no balance to rollover and no hidden fees.

The monthly cost of the LifeSize Smart Lease program is simply a "right to use" fee. TAMCO, LifeSize's leasing partner, absorbs all of the risk of ownership. And if you do choose to keep your equipment for the duration of the contract, the LifeSize Smart Lease offers you a number of choices at the end: buy it, return it, extend the contract, or replace it.

Other Smart Lease benefits include Act of God Coverage, off balance sheet accounting treatment, and tax benefits. It allows you to save your cash, protect you credit lines, and - most importantly - to be more resilient against changes in your business.



Which Method is Right for You?

Only you can answer that question, but we are here to help. When you decide "what to buy", ask your sales representative for assistance on "how to buy." Review comparative information in the form of a net present value (NPV) analysis, a tool that shows the financial implications side by side.

For more information on our programs or our NPV analysis tool, contact your LifeSize Sales Representative.

The Smart Lease System Replacement Guarantee and Act of God Coverage are both guaranteed in writing with complete details and requirements outlined in the customer contract. You should consult your accounting advisor regarding the benefits of financing and the impact on your books and taxes. While some programs provide tax benefits, every situation is different and laws vary. LifeSize® Flexible Leasing™ (LFL) and it's programs are offered and administrated by TAMCO Capital Corporation in the United States and TAMCO of Canada, ULC in Canada. LifeSize Partners must be approved by TAMCO and considered "certified" in order to offer LFL programs. To find a certified LFL Partner, consult your LifeSize representative or call 1.888.350.1842

