

# Lease is more: Telecom tools without capital spending

When it comes to buying technology, business managers often face a dilemma. While they know that customized technology solutions are critical business enablers in today's highly competitive world, they also need to consider the capital outlay required in very real terms. A one-time payment or a loan that requires a significant down payment can have a negative impact on company finances or disrupt an otherwise healthy cash flow.

## Advantages of leasing.

Leasing can satisfy your business demand for the right technology while mitigating cash flow challenges. Beyond that, leasing can offer additional advantages to a growing business including:

- Tax and financial advantages
- Improved asset management
- Strategies for obsolescence
- Flexibility and adaptability

Conventional wisdom about capital investments is: if it appreciates, buy it; if it depreciates, lease it. Business technology often falls within the latter category because the right equipment can require significant investment, yet the pace of change in technology can quickly depreciate its value when a new generation of technology becomes available.

## Easy equipment budgeting and upgrades.

Breakthroughs in technology continue to offer businesses new collaboration and communication tools, but this reality can be disheartening if your business is not well prepared or if your timing is off.

You may have already experienced this reality with your computer systems. Computer microprocessor architecture has evolved at an astounding rate. Two years ago, a single, fast processor inside a computer was standard. Then almost overnight, lower multi-core microprocessors with technically slower clock speeds and lower energy requirements came into vogue. If you refreshed your business technology just before this happened, you were left with instantly stale technology and a greatly devalued capital asset.

When you choose a technology equipment lease, you are free to upgrade technology at any time. Because business needs can evolve over a short period of time, with a technology lease, so can the technology solution that best fits your business needs.

## Keep cash flowing.

Leasing offers further simplifications for your company. In many circumstances, lease payments can be considered operating expenses. Payments are often 100 percent tax deductible, so it's worthwhile investigating this with your tax advisor to see if current Canada Revenue Agency rules allow your business to take advantage of [tax rules](#) relating to equipment acquisition. You might also try this [lease vs. buy calculator](#) to see if leasing will give your business any tax advantages.

An equipment lease can also help with resource management. You can plan around a set monthly cost over a fixed period of time, making it easier for your staff to manage not only spending, but also asset depreciation.

## Leasing offers flexibility.

If you are at the end of the lease, you can choose to keep the equipment, buy it out at a fair market value, change to a new system or return it. The leasing company will come to your office, package the equipment and remove it. The end of a lease term is also an opportunity to upgrade to a new generation of equipment with a new lease agreement.

When reviewing your business technology needs, consider the Bell leasing program, which is financed through CitiCapital. To learn more about how Bell can help benefit your business through leasing, contact your Bell sales representative.

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