

Cisco Capital helps NZ IT company preserve cash and stay competitive

**Customer Name:**

Turnstone Limited
www.turnstone.co.nz

Industry Sector:

Information technology

Cisco Technologies:

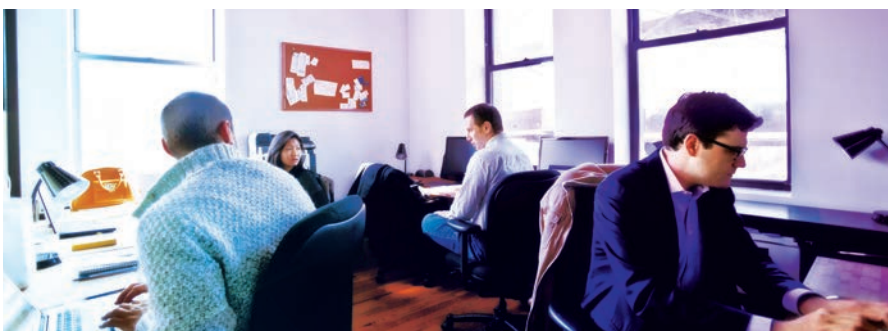
- Catalyst 2960 Series Switches
- ME 3600X Series Ethernet Access Switches

Background

Founded in 2005 in New Zealand, Turnstone builds and manages voice, video, and data networks for customers around the country using its shared IP network. Turnstone also provides managed ICT services, including cloud-based services. The company is a Cisco Partner and strives to deliver high-quality customer service in line with its motto 'Technology made simple.' Turnstone's eight employees are based in Auckland and serve small and

medium-sized businesses across New Zealand and Australia.

Managing Director Rob Gill bought into the business in 2009 and initially focused on consolidating business systems. From 2011 as the business continued to grow, Turnstone needed to refresh its IP network infrastructure. The network comprised Cisco Catalyst 2960 Series Switches and ME3600X Series Ethernet Access Switches, as well as third-party equipment.



Summary

Cisco Capital financing allowed Turnstone to:

- Acquire the technology it needed while preserving cash
- Access flexible, tailored financing that can increase as the business grows
- Finance its total solution in one lease
- Better manage budgets and cash flow
- Take a long-term, strategic approach to its technology investments

Cisco Capital | Case Study

The Challenge

Turnstone had previously funded infrastructure purchases primarily using cash, but Gill wanted to consider options for preserving internal funds and more effectively managing cash flow to better support the growth of the business. The company needed flexible, competitive financing that would cover the entire network infrastructure, including Cisco and non-Cisco equipment – and preferably not affect Turnstone's credit rating.



Cisco Capital Solution

Turnstone evaluated several funding options including bank lending, but approached Cisco Capital after attending a Cisco Partner conference. Cisco Capital worked with Turnstone to understand the company's technology strategy and project objectives, then proposed a three-year full-payout finance lease through a sale and leaseback arrangement, under a master lease agreement.

This meant Turnstone purchased the required equipment – including Cisco and third-party products – which Cisco Capital then bought from Turnstone and is leasing back to the company over three years. Turnstone pays set monthly repayments and at the end of the three-year lease will own the infrastructure outright.

The Benefits

By funding its equipment through Cisco Capital, Turnstone gained access to tailored, flexible financing that will support its business as it expands. Having an overarching master lease agreement will allow Turnstone to easily add new schedules and access rapid financing for future projects. Turnstone can also choose to offer Cisco Capital financing to its customers under the master lease agreement.

Because Cisco Capital is part of Cisco, it understands the value of Cisco technology. This allowed Cisco Capital to offer Turnstone competitive rates to keep the company's repayment amounts as low as possible. Further, unlike bank lending, Cisco Capital

financing does not affect Turnstone's credit rating or available credit lines with its existing banks.

"Cisco Capital gives us a long-term source of finance, whereas if we went with a bank, we'd probably end up with either short-term financing or onerous conditions attached to a longer-term alternative," says Gill. "It means we can accurately plan for the next three years of cash flow and manage our budgets more effectively."

The financing agreement also strengthened the relationship between Cisco and Turnstone, helping the companies build a productive and mutually beneficial partnership.

"Financing with Cisco Capital has been a very smooth process. It is helping us take a longer-term, more strategic approach to technology acquisition, which will allow us to maintain our competitive edge."

**Rob Gill, Managing Director,
Turnstone Limited**

For more information about how Cisco Capital can help your organization acquire the technology it needs, visit www.ciscocapital.com.