Hello Elisse,

Here is my report for our client company: Company X regarding whether or not they should introduce handset leasing. My recommendation is that they should proceed with it because it is a growing industry and more than profits it is becoming a necessity.

Below are the reasons why I recommend this move:

**Growth of telecom industry with handset leasing**

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With the telecom industry growing at a rate of nearly 1.70% the handset leasing and accompanied/related solutions make the operator not only a communication provider but also the one-stop shop point for their subscribers communication-technology (smartphones, Iot apps, accessories …etc) needs. 5G network compatibility, Fast charging, More rear camera lenses, High quality photo shooting/recording, Screen refreshing speed, all these features affect consumers decision in handset leasing.

**Markets/competitors in which handset leasing has been adopted**

The handset leasing solution has been adopted by telecoms by more than 800 companies in the world because the new smartphones are coming with an increasing price year after year where telecoms needed new approach via handset leasing adoption. This approach has been adopted when smartphones prices start rising and being more and more unaffordable for their starting price. Hence handset leasing is no longer a competitive advantage where as it has become a necessity.

**Profits**

The present profit is making all types of smartphones regardless of their prices affordable for the

consumer as well as being equipped with the latest devices.

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In the future, due to common use of this particular approach the revenue of handset leasing will

reduce.

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**Concerns and solutions**

Allocating huge resources to finance the purchase of the millions of smartphones in a deadline of 1-3 months from OEMs that costs generally above 1000 $ where the consumers will pay back in 24 months? Tightening up the balance (reducing operating expenditure/being more efficient in employing capital) and use receivables, upfronts to gain immediate cash. The asset-backed securities are generally stable and attractive for investors from a secure industry that rarely goes bankrupt.

Offering handset leasing solution separately is a poor offer that can be outsmarted by the competition easily. Proposing additional services; insurance is a high margin offering as well as a other additional value-added offerings such as NaaS (Network as a Service). Proposing additional products; connected items related to smartphones, phone cases and accessories which represent a considerable margin. Used phones present a high potential market for operators with an estimated market value of 52.7 billion $ in 2022.