Dear Elise,

The initial research that has been done has pointed favourably towards the idea of handset leasing in order to scale up profitability for company Company X . With a proven record of successful implementations in various counties such as United States of America, Singapore and Australia, I would recommend that the team would go ahead with the project.

It has been noted that the Telcom industry will face a annual contraction rate of 4% between the years **2018-2022**. Handset leasing will help companies to minimize loss in net revenue and share value. I support the project from my initial research that I conducted :

* Higher adaptation of SIM only plans has had negative effect in revenues in south Asian markets.
* In order to accommodate customer preferences for SIM only plans due to lower costs companies have started to offer handset leasing services.
* Single and star hub have witnessed year-on-year declines of 10 % and 8% on post-paid ARPUs.
* With a 50% year-on growth the used smartphone market value was around $17Billion dollars and there has been a contraction on legacy usage as phones are less likely to be passed down in the family.

Consumer sentiment trends shift towards lower up-front costs and being up to date with technology.

* Handset lending saves the up-front costs of the customer and saves up to around 70%.
* Popular among people who do not have disposable income especially people in the 20 year old ranges.
* Customers prefer this, as there is a flexibility of offering the latest technology over a period of time and making them able to be in touch with the current trends.

Competitors have started this method, to raise capital and create new revenue streams.

A US based company Sprint saw an increase in revenue streams of around 43% as of implementing this method. Handset leasing is appealing to younger customers and SIM- only users. The low upfront costs associated with it, will make **Company X** attractive for further investors and customers. It will also open doors for an additional revenue stream for the company such as recycling and re-selling old phones.

The prospectus and openings that this model shows is reliable from the initial analysis done, and the team should consider going ahead with exploring further.

**REFERENCES**

<https://www.dbs.com.sg/corporate/aics/error.page>

<https://www2.deloitte.com/content/dam/Deloitte/global/Documents/Technology-Media-Telecommunications/gx-tmt-prediction-used-smartphones.pdf>

<https://www.mobileworldlive.com/devices/blogs-devices/blogs-handset-rentals-offer-surprising-value>

<https://marketrealist.com/2017/04/why-sprint-is-focusing-on-handset-leasing-to-accelerate-growth/>

<https://internetfileserver.phillip.com.sg/POEMS/Stocks/Research/SectorStrategy/SG/TelcoSector20190104.pdf>