

Cisco Capital financing helps TeliaSonera close a major deal and brings closer collaboration between the partners



Customer: TeliaSonera Networks AB

Industry: Service Provider



Challenge:

- To resolve pricing issues that were blocking a negotiation
- To maintain healthy margins on a large contract
- To minimise the risk associated with managed services investments

Solution:

- Flexible three-year financing contract with substantial residual values

Results:

- Reduced costs leading to a more attractive package for the customer that enabled TeliaSonera to close an important deal
- Enabled TeliaSonera to retain one contract and win another, strengthening its position in the customer account
- Created a new co-operative model that is now used for financing all TeliaSonera's managed LAN and WAN services based on Cisco equipment



TeliaSonera and Cisco Capital have developed a unique way of working together to successfully sell managed services. With one customer in Sweden, the involvement of Cisco Capital helped close a deal and opened up new business opportunities in an important account.

Challenge

As the leading telecommunications provider in the Nordic and Baltic regions, TeliaSonera dominates the business services market where it offers a one-stop shop to corporate and public sector customers. One such customer is a government-owned healthcare organisation in Sweden, whose wide area network (WAN) was managed by TeliaSonera.

When the WAN contract was due to expire, TeliaSonera re-tendered for the business using Cisco® technology, as before. The customer was pleased with the design put forward by TeliaSonera but negotiations were stalled due to pricing issues.

“We could have built the service using other equipment, but we thought Cisco offered the best platform as well as being the customer’s preference,” says Caroline Blome, Leasing Account Manager at TeliaSonera Finance. “We had to find a way to make the pricing of the deal more attractive to the customer without reducing our own margins too much – and that’s where Cisco Capital® came in.”

Solution

Cisco Capital proposed a three-year financing package including substantial residual values that could not be matched with internal financing options. This lowered TeliaSonera’s costs on a major investment and enabled the provider to reduce its own pricing, resulting in an offer that was highly satisfactory to the customer.

The Cisco Capital solution delivered more than purely financial value. It shared TeliaSonera’s risk in a multi-million contract and created more flexible options at the end of the three-year deal. “We have the possibility of re-financing, returning or purchasing the equipment and we don’t have to make that decision just yet,” says Caroline Blome.

Results

By working with Cisco Capital, TeliaSonera was able to not only retain the customer’s WAN business, but also to win the managed LAN contract with an attractive service wrap-around and pricing. As a result, the provider has gained a bigger footprint in the customer’s organisation and locked out the competition for three years. This gives TeliaSonera an excellent basis on which to generate new business opportunities, by offering the customer additional services that will run on the Cisco platform.

“Cisco Capital helped us to put together a financing solution that released the deadlock in our negotiations with the customer,” says Key Account Manager at TeliaSonera, Jonny Lind. “Their involvement made the difference that closed this very important deal and made it possible to sell our first Managed LAN service.”

Although TeliaSonera regularly finances equipment purchases for managed services contracts, this solution offered a new and more aggressive financing package.

“The initial collaboration between TeliaSonera Finance and Cisco was so successful that we have created a new cooperative model which is the basis for financing all our managed LAN and WAN services based on Cisco equipment.”

Caroline Blome
Leasing Account Manager
TeliaSonera Finance

For More Information

To find out more about Cisco Capital finance solutions, please go to www.cisco.com/go/capital_europe