

# Technology Solutions Leaders



Connecting the Company and Client as One

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Crossing all Obstacles on the Path to Success

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Supported by a Network of Invisible Bridges

April 4th 2014



# Operating Scope



The TSL Group is a Caribbean based Information and Communication Technology Company providing end to end solutions and services in all fields of ICT. TSL delivers services through brick and mortar operations in some Caribbean Islands while also providing services through its more than 250 members of staff in 20 countries in the English and Dutch speaking Caribbean.

Trinidad Systems Limited (TSL) is the substantive parent of the group which began operations in 1979. TSL represents best-of-breed companies such as Xerox, IBM, Juniper, VMWARE, Lenovo, VeriFone, DataCard, 3Com, Systimax, Cisco, HP, Dell, Microsoft, MagTek, JanTek, Citrix, For the Record, Virtual Doxx, Bi-amp, Syspro and various others.

TSL's approach to market is to invest heavily in technical knowledge and expertise and currently employs the most highly skilled and advanced ICT engineers in the Caribbean who in turn support most of its product lines throughout the Caribbean.

## The TSL experience

- Lead up to need for VC
  - 1996 – TSL

Plus	Minus
Small & Nimble Niche Market based Highly motivated employees	Not recognized by Major accounts No Access to the big deals  In need of training

- Xerox

Plus	Minus
Good Global Corporate Moving from Analog to Digital Partnership with IT Co necessary. Willing to finance change	Terrible reputation in Trinidad No capable Distributor locally  All major IT Players out of pic

## The TSL experience



- Xerox had no more than a 4% market share in 1996
  - Funded TSL with TT\$ 500,000 in advertising
  - Moved Xeroids to TSL (1 week at a time) for 53 weeks
    - Instituted Change Management, Procedures, Sales Management etc.
  - To grow the business we needed a showcase – DocuCentre
    - Allowed us to use the equipment for print on demand jobs while demoing same

## The TSL experience



- Problem was accessing finance
- Approached PWC to assist in validating business plan.
- Senior Partner gave full support and recommendation to plans
- Sold 50% of the business to Private Party
- Raised TT\$2,400,000 based on plan and trust
- Went to all Banks and Finance Houses
- All turned down applications for expansion

## The TSL experience



- No V.C. available at that time
- Last resort was DFL.
  - Presented plan to DFL for finance to open DocuCentre
  - Met with warm response
- Within days of receiving approval
  - Returned to DFL for additional funds
  - First response – No Way
- Application finally approved

## The TSL experience



- DFL – very creative
- Put together a number of instruments
- A mix of redeemable preference shares, a mortgage, (several over time), secured income bond and line of credit
- Allowed us to Finance Equipment for DocuCentre
- Provided a mortgage on new building to be built
- Very costly financing but formed somewhat of a Venture capital investment
- Exit strategy clearly defined

# The TSL experience

- Instruments finally used:-

Instrument	Value	Interest
Redemable Preference Shares	1,650,000	15%
Mortgage	3,100,000	11%
Secured Income Bond Face Value 1,875,000	1,500,000	9%
Line of Credit	1,500,000	10.16%



## The TSL experience



- Results –
  - In 2 Years (1996-1998) moved 4% market share to 34%
  - Increased Human Resources – Count circa 250
  - Went in to new ventures locally and regionally
  - Became the number 1 Distributor for Xerox for a number of years in the Caribbean and now more recently for the Caribbean and Central America
  - Expanded company to remove risk dependency on single Major Corporate

## The TSL experience



- Results –
  - Built strong relationships within the Americas and Europe
  - Currently the first port of call for any ICT company coming to the Caribbean wanting representation
  - Amazing number of opportunities in front of us
    - Still in need of V.C.
  - But NONE EXISTS

## The TSL experience



- What Worked for us
  - The route of getting support from PWC to ratify the plan was critical
  - The name Xerox carried enough weight to allow us to get private equity before going to the banks
  - We found someone who trusted us and placed real value on our business plan. Without him, nothing would have worked for us.
  - The Xerox disciplines, processes and standards allowed us to operate at a world class level

## The TSL experience



- What Worked for us
  - We reinvested all profits back in to the group to grow the business in the absence of V.C.
  - We gained a strong reputation for being:-
    - Highly ethical
    - Resilient
    - Delivering good customer service
    - A highly desirable company to work for
  - Over the years we were approached by 4 major entities with offers to acquire us.

## The TSL experience



- What was missing
  - Low cost financing
  - Financial Institutions are not set up to take the type of risk that V.C. companies will.
    - The business plan is never focused on
    - Only Historic data is assessed
  - V.C. will sometimes venture in to green field projects not so the banks.

## The TSL experience



- What is needed?
  - Depends on where you look.....
    - New entrepreneurial startups
      - Little or no hope without programs like i2i
      - Need to take projects from incubation to commercialization.
    - Established companies like TSL
      - Access to V.C. money which operates in much the same fashion as that in the U.S.

# The TSL experience



- On the horizon....
  - In our case we have :-
    - New Ideas,
    - Highly Skilled Human Resources
    - New opportunities
    - Massive relationships and networks
    - New technologies which are constantly emerging
    - No access to large sums of cash to take advantage of the above.

# The TSL experience



Thank you

April 4th 2014