



## Tips for Dealing with a Reduced IT Budget

### Think about leasing IT assets

- Leasing helps conserve capital. It means no down payment and paying only for the use of the equipment, as opposed to paying for the equipment itself.
- Incidental costs – like sales taxes and installation charges – can be bundled into the lease rather than being paid up front.
- Leasing can include capital and tax advantages, which can be significant.
- Leasing lets you expand or renew your IT infrastructure independent of budget cycles. It also lets you to align the monthly cost of IT assets with the economic and business benefits they provide.
- Leasing establishes a regular technology refresh cycle – at the end of the lease you can return the old assets and acquire new, more advanced technology to support increased productivity and future growth.
- By returning equipment to the leasing company at the end of the lease term, you eliminate concerns, such as disposing of equipment in an environmentally responsible fashion and ensuring that sensitive data is wiped from hard drives.

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### Sale leaseback – an increasingly popular option

- Sale leaseback lets you sell your IT assets to HP Financial Services and then lease them back – triggering for an infusion of cash which can be used to pay down debt or invest in other areas of the business.
- HP Financial Services will purchase both HP and non-HP IT assets.
- Sale leaseback also puts you on the path for a lifecycle asset management approach.

### Managing IT assets on a portfolio lifecycle management basis offers a greater return on your investment

- Older equipment results in a more complex environment, a higher labor cost, less efficiency and a lower return on investment. It leads to escalating IT support requirements and decreases the ability to support business innovation and expansion. Developing a framework for systematically retiring and replacing IT equipment on a recurring basis is a cost-saver.

- Older IT equipment also may be incompatible with newer generations of hardware or software.
- Planned change is more efficient than ad hoc management. Develop a systematic ongoing replacement plan for the IT environment that anticipates migrating to new generations of equipment at programmed intervals. Replacing PCs, servers, and other IT equipment a piece at a time when it fails is expensive and inefficient.
- IDC research shows that optimized replacement practices can reduce PC replacement costs by as much as 75%, or \$400 per unit.

### **Look carefully before entering into a large, complex financing deal**

- Is your potential supplier interested in working with you as a partner... or just selling product?
- Has your potential supplier worked with you to identify a total solutions approach to your business needs... or just focused on the rate?
- Does your financing partner have a solid foundation in IT technology and a documented history of helping customers achieve their goals?

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2/2009