

# *Information Technology*

## **How Low Can You Go?**

To paraphrase the old Limbo song, “how low can computer prices go?” In November, 2001, Dell announced a business computer for \$499, the first below \$500 from a major brand. Have we reached the era of the throwaway computer? What should you buy, and how long should you keep it?

Two opposing forces are influencing purchasing decisions today. First: over the last 2-3 years, there have been no major new applications for desktop computers. Most of the action has been in wireless communication, high-speed Internet access, PDAs like the Palm and e-commerce. None of these demands much new power or function on the PC, while hardware performance has improved dramatically. (But graphic and engineering design, video editing and 3-d games can use as much performance as you can afford.) Result: even a low-end machine (say, \$800 excluding monitor) has enough power for typical business applications like word processing, spreadsheets, e-mail and Internet research. If your needs outgrow the machine in two years, get a new one and pass the old one along in your organization.

Second: The same lack of new power-hungry applications means that you can expect a longer useful life than two or three years ago. Gartner, a respected consulting firm, now recommends that business users plan to keep desktop computers for four years. I’ve been telling clients that most computers purchased since mid-2000 will give four years of useful life if used for typical business applications.

So, how much should you spend and how long should you keep it? As always, it depends. Is lower initial cost more important than the productivity impact and expense of swapping computers? Here are a few guidelines: buy high performance machines only where you need them; get lots of memory (512MB); you don’t need large hard drives in a network environment (40GB is plenty); use the savings for high-quality 17” monitors for the staff.

If your systems are coming off lease or are more than four years old, now’s a good time to develop a replacement strategy. Price wars of the last year make this an excellent time to replace or upgrade.

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