

Information Technology

“My Accounts Aren’t Over-sold, but They’re Not Under-Machined!”

Part 2: Computer Purchasing Strategies

So you read the last column, analyzed your needs carefully, picked out the right equipment, and are ready to buy. But don’t get your credit card out just yet. How long should you keep computers? Should you replace them one by one or all together? Should you lease or purchase? What should you do with the machines being replaced? This time, we’ll discuss purchasing and replacement strategies.

Many consultants recommend keeping computers used for ordinary business purposes for four years rather than three, which was the usual practice a few years ago. Longer lives reduce acquisition costs, turnover costs, and disruption. It may pay to overbuy slightly to assure a longer useful life.

Whether to replace all at once or in phases is a complex decision. There are advantages to replacing all the systems in an office or department – simpler training and support, better quantity discounts from vendors and easier integration with existing systems. There are disadvantages, too – equipment costs are concentrated in time instead of spread out, and the entire department or organization is disrupted at the same time. Leasing or financing alleviates the cost problem, but introducing new equipment in phases may prolong the period of disruption. Any organization with more than about 40 PCs will likely be forced to a strategy of replacement in phases because of IT staff workload.

Leasing computers is different from leasing vehicles. Because of technology changes, computer leases are structured to recover the entire value of the equipment during the lease. You should review the implications of leasing with your accountant before deciding.

What to do with the computers being replaced? Older units can be relegated to less demanding tasks as they age, but this turnover has costs. Many charities will accept 3-4 year old machines in good condition. There’s a lively market for used computers.

OK, *now* you can get your credit card (or purchase order) out. Next time we’ll discuss implementation strategies, how to introduce new technology, and training.

This column by Denis Williamson of MacLamor Computer Consulting aims to help readers maximize the value of information technology. You can reach Denis at 845-357-1877 or denis@maclamor.com. Past columns are available at www.maclamor.com.