

EXPERTS' FORUM | Technology

Paying for IT in Tight Times

It's the common chicken-and-egg scenario:

Organizations need technology to generate revenue, but they need revenue to afford technology. What comes first? It's a challenging position facing a rising number of organizations, especially during these tight financial times.

Technology can help organizations optimize scarce resources and allow them to do more with less by automating processes, better organizing teams and fostering more collaboration. But where's the capital to realize those efficiencies and bottom line savings? Understanding the fine balance, technology companies are responding by giving organizations the option to bundle equipment with service for a low monthly fee.

Through managed services, businesses purchase IT hardware as an operational expense rather than a big-ticket capital expenditure. While the concept has been commonplace for copiers for 25 years, it is emerging as a cost-saving tool for other technology, including phones, computers and servers. It's change in mindset that delivers technology as a service.

Here's how it works:

Keep your cash. Paying month-to-month through a managed services arrangement frees up cash that organizations can use elsewhere and improves overall cash flow during tight times. Instead of paying the big-ticket price tag of laptops or desktops all at once, businesses can spread the cost of the hardware over three years.

Budget better. When businesses buy equipment, costs can vary greatly each year and drive up expenses one year and not another. It's also difficult to accurately budget for unexpected maintenance and the often intangible user support costs. Through managed services, businesses plan ahead and

consistently budget for the total cost of ownership. Organizations can spend as little as \$29 a month for a device while receiving convenient, on-demand user support and maintenance through an IT provider like Marco.

Get the latest technology. Keeping up with technology advancements is not easy and can become costly for companies. Managed services give businesses up-to-date hardware and the latest software without paying for the upgrades. Organizations also do not have to spend time or money disposing of the old technology. Managed services providers take care of recycling the equipment.

Reduce costs. The actual cost of technology exceeds its upfront costs by 2-3 times. A laptop costs \$1,900 to purchase on average, for an example, but over the life of a laptop, organizations pay another \$3,000 in maintenance and user support. Managed services provide businesses with hardware, automatic software upgrades and easy access to a team of technology experts to troubleshoot and solve any problems. That reduces the total cost of ownership by as much as 40 percent.

Get strategic. Using workflow and usage reports, a managed services team evaluates the organization's IT environment over time and suggests improvements based on the organization's needs and future trends. Providing a best-case business scenario, managed services spread the investment in IT over three years, but instantly deliver organizations the return.

From direct savings to ongoing peace of mind, organizations find that acquiring, deploying and supporting technology on an operating expense basis is a smart play no matter the economic situation.



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