Should You Buy New Technology Equipment During a Recession?

There are many reasons why it's a smart idea to upgrade your technology during a weak economy. Sometimes the need to replace technology is a choice; oftentimes though, it's due to a failure when you are faced with buying new or trying to get through with what you have. When "times are tough" you can actually get some of the best deals, modernize for less, and prove to your customers that you are progressive enough to prosper in what many see as hard times. Whether you are in a crisis situation or not, here are just a few of the justifications for purchasing and upgrading your equipment while the market is low.

1) **Older equipment fails more often.** Outages and downtime are expensive and felt more during tough economic downturns. If you don't have the money or time to replace the equipment now, how are you going to have time and money to do so in a crisis? If you are down, you will not be able to enter sales, bill clients, print invoices, answer inventory questions, or dispatch service personnel. This translates into loss of revenue, and the chance that a long time customer doesn't coming back because of poor service. When people do not have the luxury of extra time and/or gas money to spare, they often simply go to the next place and choose not to wait or come back later when your system is up.

2) **There is no better time than a recession to show your customers that they can still count on you to come through for them.** When you can show them you are well-managed and well-positioned, it can mean prosperity for your business. While others fail, you can show growth by outwardly improving the function of your business. To do this successfully, you must be properly prepared and well-equipped to beat out your competition, this could mean now is a great time to upgrade your technology.

3) **You can easily replace a quarter of your PC's each year without feeling a pinch.** Put the newest (best) equipment at the most critical location and hand down their equipment to the next tier. Then, take this second set of equipment and put it in the third tier down, and so on. Even if you only have four computers, every employee would receive a 'hardware upgrade' every year, and no system is ever more than four years old. With this method, you pay as time goes by, and your employees feel like they are being upgraded at a faster pace.

4) **Good employees are worth their weight in gold.** Hardware and software investments can improve job satisfaction. Rewarding valuable employees with faster, more reliable, more modern, even sleeker tools can go far in reducing frustration, while also confirming the employee's value. Productivity also typically rises with new equipment. Follow the plan above for happy employees and a smooth running operation. If you lose an employee to a more modern shop, you are faced with the costs of hiring and training someone new which can be even more expensive than a technology upgrade.

5) **No matter how careful you are, technology equipment has an 'end of life'.** Things like power supplies (compare to your car's battery), hard disks, motherboards, servers, backup devices, backup tapes, monitors, PC's, dumb terminals, network components, printers… even software, they all have an end-of-life and can become outdated no matter what the economy is like. Be sure to take inventory of what you have and how old it is and come up with a plan for upgrading.

6) **It can be tempting to replace a failed piece of equipment with an 'old standby'.** Keep in mind though, that computer equipment is just like tire equipment, it is often upgraded because there is newer, better, more efficient technology built-in to the latest items made available on the market today. Your old equipment may have been the latest and greatest when you purchased it initially, but this no longer stands true today and may not be the best replacement in a pinch. Your older equipment may be slower and may fail to operate properly as it becomes outdated. A failure can result in delays and inefficiencies that translate to lost opportunities, poor customer experiences, lower employee morale, and revenue loss. Replacing a failed piece of equipment with new equipment can save you that frustration.

7) **Manufacturers are also hurting in these tough times. There are better deals and incentives out there for those who are willing to update technology equipment now.** Once the recession is over, just like the gas prices, you can expect these prices to rise back to their previous levels, and then some. Take advantage of low prices now! Because everybody is hurting, your technology consultants are more than eager and willing to help you. After all, if you succeed, so do they. A win-win situation for all parties involved.

8) **Thinking that you may be saving money by not replacing equipment when it is at end of life typically costs you more money in the long run.** Because of lost efficiencies, compatibility issues, service and maintenance, and downtime hanging on to "old faithful" can be a pricey decision.

9) **New technologies have greater hardware requirements.** In order to use these efficiently, you need to purchase better devices, or suspend the hardware upgrade and not receive the latest time-saving, cost-reducing advantages the new

systems can offer. When a large majority of your customers are now ordering their products on the Internet, you may be left in the dust. What better incentive is there to upgrade, than the fear of losing your customer base?

10) **Newer equipment can actually prolong your life!** There is a whole range of new computer hardware out there that is environmentally friendly. You can reduce your energy costs by getting rid of outdated equipment, and discarding older equipment by sending it to a viable recycling center can actually be good for your health!

About the Author: Gerry Smith, CNE, CSSA, MCP, has over 20 years computer experience with various systems, equipment and diverse environments. Currently she is a Hardware Analyst at ASA Tire Systems where she also builds servers (RedHat /Linux, SCO, Sun, and HP Print) and supports basic networking and SonicWALL issues. She is a Certified Novell Engineer, Certified SonicWALL Security Administrator, and a Microsoft Certified Professional. Previously she worked in Information Resources and at the computer help desk at the Denver Veteran Affairs Medical Center for 17 years. She has also worked as an Information Technologist/Consultant/Contractor for the United States Postal Service. She can be reached at gsmith@asatire.com.