



Increase your productivity by choosing the right equipment

Acquiring new equipment for your business can be difficult. By taking the time you need to consider the decision, you can reduce the risk of costly errors.

Know your current and future needs

Before you buy any equipment, it is absolutely essential to be thoroughly familiar with the current and future needs of your business. Being aware of all your departments' needs can save you a lot of money.

Here are the questions you will need to address first:

- Is the current equipment giving you good results?
- Do you need to replace your equipment with state-of-the-art machinery?
- Can the equipment you are replacing be used somewhere else within the company?

It is often possible to re-use less powerful computers in departments that do not require high-performance machines.

Conversely, any technological delay in a rapidly growing area can seriously affect a company's ability to remain competitive, depending on the company's line of business.

Keep abreast of the latest innovations

By keeping a watchful eye on the latest technological developments (through subscriptions to the many specialized newsletters available on the Internet, or by attending trade shows), you can significantly increase your knowledge of the latest innovations. Keeping up with technological trends, both in hardware and software, that affect your line of business, means that you will be able to quickly identify which innovations your business must adopt if it is to retain its competitive edge.

In the area of electronic data processing, the most recent technology is not necessarily the best. Businesses that want to avoid useless setbacks will often purchase the second or third version of a new software package, once the first buyers have discovered the bugs.

It is important to evaluate every hardware or software purchase objectively.

- Will this acquisition be worthwhile in the long run? Compare the interest on a standard loan and the cost of renting the equipment (which includes interest payments and maintenance fees) with a cash purchase.
- Are the new features offered by the technologically advanced equipment of use to you?
- Could the inconveniences of using the new hardware or software, particularly where potential changes in work methods are concerned, noticeably decrease productivity?
- Given your employees' current skills, are the costs and time required for employee training reasonable?

Choose the best method of financing

Consider how the new equipment is to be financed since every method of financing has advantages and disadvantages.

- **Purchasing:** Often done on credit, purchasing enables you to own the equipment as soon as the transaction is completed, and the company amortizes the cost over the lifespan of the equipment.
- **Financial leasing:** By first renting the equipment for a specific period of time, the company will be given an option to buy upon termination of the contract. The rental fee may be included as part of the operating costs.
- **Renting:** This is more appropriate for equipment that quickly becomes obsolete. Rented equipment is not considered to be a fixed asset. The factors to be considered when choosing a method of financing may vary from one company to the other, depending on your company's creditability or line of business.

Give preference to safer equipment

The reliability of the equipment must be taken into consideration. The following questions will help you make an informed choice:

- Can your employees safely use the new equipment?
- Is it covered by an occupational health and safety plan?
- Is there other equipment that is better suited to your employees?

Although safety equipment items may cost more initially, they are often more economical in the long run. Money saved from purchasing less safe equipment can quickly be eaten up with work stoppages, personnel-replacement costs, and higher insurance premiums and dues payable to occupational health and safety organizations.

In light of this, even though consulting your employees about the choice of equipment may initially seem like a laborious task, it can often mean the difference between making a good decision and a bad one. Since they will be using the equipment you are about to buy every day, your employees can probably better assess how user-friendly it is. The easier the equipment is to use, the less likely it is to cause injury.