

**The general rule of thumb is to use capital expense for static investments, and operating expense for fluctuating costs. Rapid advancements of technology are changing the thinking of the distribution of investments along these two lines, as future technologies and resulting organizational requirements are more difficult to predict.**

It's worth considering leasing your IT equipment — moving from CapEx to OpEx — instead of buying the devices.

### **BENEFITS OF MOVING TO OPEX**

Leased devices give you greater asset flexibility. You'll be able to cut costs, since you only need to lease the capacity you need, while still having the ability to scale as your company grows and changes. New services can be bought quicker, and implemented quicker, as with a lease you can get what you need without having to have the cash on hand.

By moving to OpEx, your cash flow is improved. You can keep costs fixed and predictable, which is a major benefit of leasing combined with a managed service program.

There are several other financial benefits to the OpEx model including:

- **Less need to borrow cash.** Operations can finance expenses quicker.
- **Fewer items to track** and account for on your balance sheet.
- **Tax considerations** — a fixed tax-deductible cost saves you from having to follow a complicated device depreciation schedule.

IT equipment quickly becomes outdated and buying it outright is often not the best solution. When you lease it's easy to keep up with the latest advancements, as you can flip the equipment to the newest technology when you renew your lease, at a similar monthly cost.

### **HOW TO GET STARTED MOVING TO OPEX**

To begin, have a complete, professional assessment of your infrastructure conducted by a reputable business technology provider like INNOVEX.

We will make an inventory of your existing infrastructure along with an overview of your purchases, contracts and leases. Discuss your future business plans with us as well so that your future needs are considered and included in applicable recommendations.

Recommendations will include an optimized IT environment, suggestions on best practices, and information regarding newer technologies that will make your business more efficient.

### **ABOUT INNOVEX**

Technology is at the heart of every business organization. We are the single source developed to support your entire technology infrastructure, from your document systems to your servers — our focus is you.

Whether you use our Technology Products, Managed Services, or IT Professional Services, our integrated offerings simplify your business' operations, giving you the efficiencies you value. We stay current in technology that constantly changes, and are committed to providing you service excellence.

A 50-year-old independent, locally-owned company, we're also one of the fastest-growing companies.\* We are here for you now and will be in the future.

\*Providence Business News' Book of Lists, 2016

**Your Technology, Our Focus**