

SURVEY FINDINGS

IT Buyers Reveal Views on Technology

We asked 528 IT buyers about how they view technology in their business and how they are paying for it.



Introduction

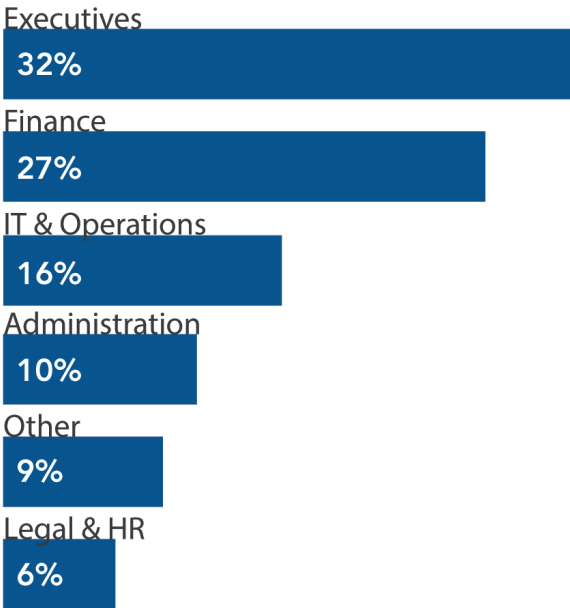
Many assumptions are made about how clients view technology in their business and how they pay for it. We dug in and asked IT buyers what they think.



When we reached out to customers who currently lease with GreatAmerica we set out to learn more about their buying patterns, how they view technology and how they wanted to pay for it. We came away from this survey with a fresh perspective about how businesses are thinking about the multitude of technologies they run just to keep the lights on. Our findings on the next several pages cover IT buyers' biggest technology concerns, how often they want to upgrade their technology and how they want to pay for technology acquisitions.

WHO WE SURVEYED

We surveyed customers who were under a current finance agreement with GreatAmerica for their technology acquisition. Here's the breakdown:



WHAT'S INSIDE

- Technology Trends and Challenges
- The Lifecycle of Technology
- Technology Refreshes & Upgrades
- How Clients Want to Pay
- The Tech Budget and Monthly Payments

Top Tech Concerns

Only **11%** of respondents cited "Cloud" as a top concern



Information & Data Security

71%

Cost of Upgrades

64%

Running Out-of-Date Technology

55%

Information & Data Management

41%

Technology Budget

32%

Data Security & Management

The number one concern of those we surveyed was keeping their information and data secure. A whopping 71% of respondents said it was something their business currently considers a concern. Also in the top 5 challenges is managing all of their information and data.

Keeping Current

IT buyers also expressed worry over the cost of upgrading their technology and running out of date technology. Rounding out the top 5 concerns was also technology budget. Create a roadmap to help them see how you will help them afford the new technology they will need to run and sustain an efficient business. We surveyed clients in detail about which technologies need frequent upgrades, what triggers the need of a refresh, and how they want to pay for the refresh.



Technology Refreshes

HOW FREQUENTLY SHOULD THE FOLLOWING TECHNOLOGIES
IN YOUR BUSINESS BE UPDATED OR REPLACED?

■ Every 1 - 2 Years ■ Every 3 - 5 Years ■ Every 5 - 10 Years ■ Every 10+ Years

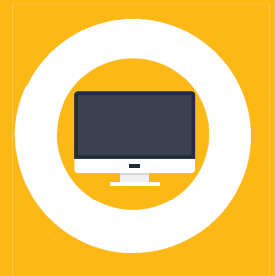


Mobile Devices

Mobile devices are most likely to need replaced early, according to those surveyed. **43%** said mobile devices should be replaced every 1 - 2 years, and nearly half (**47%**) said they should be replaced every 3 - 5 years.

Laptops, Desktops & PCs

Most customers agree laptops, desktops and PCs should be upgraded every 3- 5 years with **69%** responses.



Business Phones

If you are selling business phones, you have a lot of educating to do. While **21%** believe they need replaced within 5 years, more than half (**52%**) say business phones should be upgraded every 5 - 10 years, and **27%** say they can go more than 10 years in between refreshes.

Servers/Storage

The technology most likely not to be seen, but definitely felt, **45%** of customers surveyed said servers should be upgraded every 3 - 5 years, and **38%** said servers can be replaced every 5 - 10 years.



Wireless Networks

Half of customers we surveyed say wireless networks should be upgraded every 3 - 5 years.

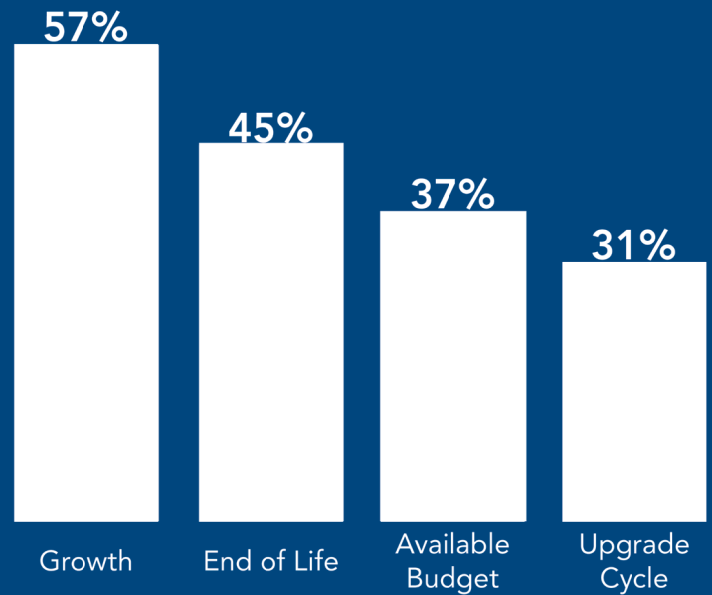
When Is It Time to Buy?

The customers we surveyed agree that many of the technologies in their business should be upgraded or refreshed within five years. But how do they decide when to pull the trigger on an upgrade?

While each customer is different, more than half of those we surveyed agree that when their organizations are growing, they are most in need of additional technology. Another top reason customers said they chose to upgrade is the technology reaching the end of its life or if the refresh was already planned.

Some are waiting until they have budget available for upgrades, but customers told us it is easier to upgrade when they are making monthly payments.

HOW DO YOU DECIDE WHEN TO ACQUIRE OR UPGRADE YOUR TECHNOLOGY?



41%
Clients

say monthly payments make it easier for them to keep technology current and updated.

23%
Solution Providers

agree they get more frequent refresh cycles when the customer is making monthly payments.

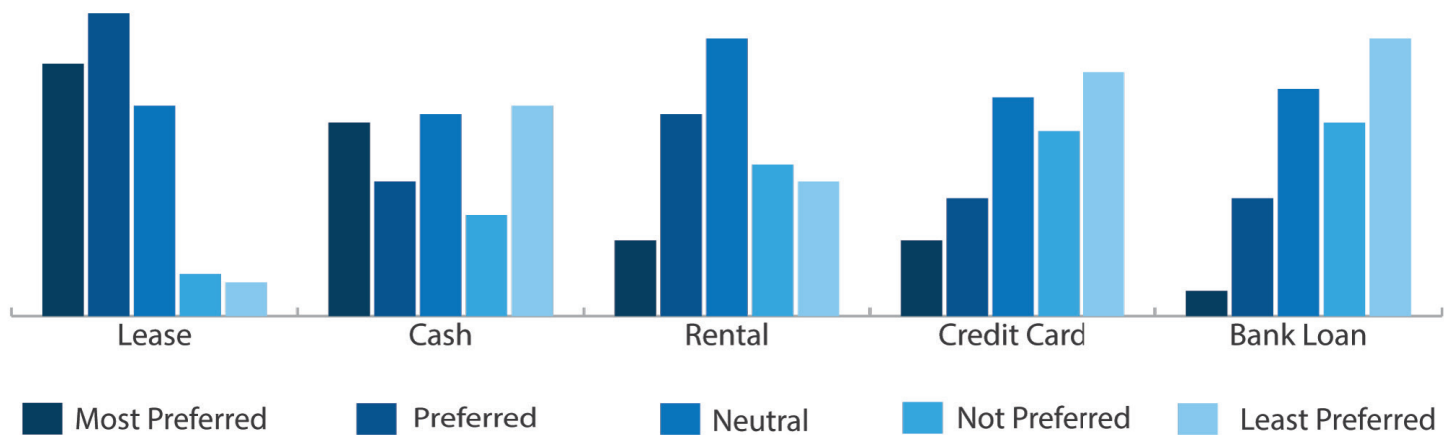
“By paying monthly for our equipment, we can better budget our equipment expenses and we are able to upgrade when needed without a large cash outflow.”

- Business Professional

How Customers Want to Buy Your Technology

Every business is different, but we saw trends among how tech buyers prefer to pay for projects. The most preferred method of payment was lease with 66% of respondents saying it was their most preferred or preferred method. Using cash to acquire technology was the most balanced method of payment with around a quarter of respondents saying cash was the most preferred, saying they were neutral and saying cash was their least preferred. A majority of tech buyers say credit cards (51%) and bank loans (56%) are either not preferred or least preferred method of payment.

WHEN ACQUIRING TECHNOLOGY, RANK YOUR LEVEL OF PREFERENCE FOR THE METHOD OF PAYMENT.



If cash isn't an overwhelmingly preferred method of paying for technology, we wanted to know what expenses a business would find more value investing their cash in.

“We choose monthly payments for our equipment and technology because it frees up cash for other areas of our business.”

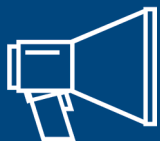
- Barb Tesarz, Controller

WHAT EXPENSES DO YOU PREFER TO USE YOUR BUSINESS CASH FOR?



Add Employees

42%



Marketing

37%



Infrastructure Enhancements

31%



Inventory

28%



Advertising

25%



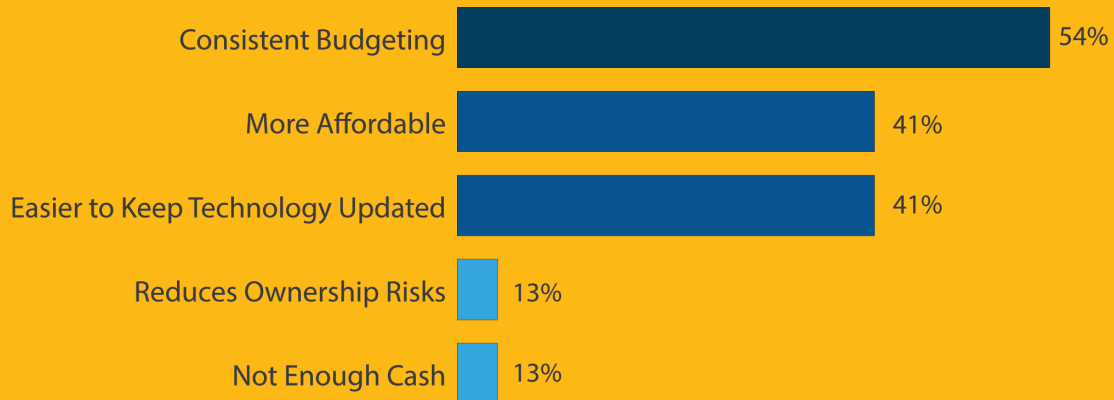
Research & Development

11%

The Upside of Monthly Payments

With an overall favorable view of both leasing and equipment rentals, we wanted to find out what it is about monthly payments that technology buyers like so much.

WHY DO YOU CHOOSE TO PAY MONTHLY FOR TECHNOLOGY?



EASIER TO BUY!

64% agree that "It is easier to make a technology acquisition when a finance or monthly payment option is provided."

CUSTOMERS EXPECT IT!

61% agree that "When acquiring equipment and technology, I expect my vendor to offer a finance option and/or monthly payment plan."

"Thanks to monthly payments, we are able to keep our technology updated without having a large amount due at once."

- Stacey Barry, Owner

Conclusion

While we are able to identify trends within the data, it is clear each business and individual is motivated by different factors. A great discovery or assessment will uncover their challenges, and this information will help you ask better questions.

KEY TAKEAWAYS:

- Customers are concerned about keeping their technology updated and how to budget for technology at the pace it is changing. Give them a roadmap on how they can sustain the cost of the technology.
- All technology eventually needs to be replaced, just at different intervals.
- If you are selling business phones, you have a lot of education to provide on how frequently they should be replaced.
- Customers are most motivated to buy technology based on the growth of their business or if their technology has reached the end of life.
- Customers overwhelmingly prefer leases to any other payment method and they expect to be offered a monthly payment option for their technology acquisitions.
- Businesses like a predictable monthly payment because it helps them budget for technology.



ABOUT GREATAMERICA

Founded in 1992, GreatAmerica is a national lessor that helps their customers be more successful. The Unified Communications & IT Group at GreatAmerica is dedicated to understanding the IT, Managed Services and Telecommunications industries, working with thousands of telecom providers, MSPs and independent VARs to help them evolve their business.

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