



ATLANTA | LONDON | AMSTERDAM

IS YOUR PROJECT IN TROUBLE?

5 WAYS IT EQUIPMENT RENTALS CAN SAVE YOUR NECK

INTRODUCTION

Despite adequate capacity planning and budgeting, companies are rarely able to predict how their technology needs will change or grow annually or even from project to project. Often, IT management will evaluate “peak load” or “worst case” scenarios to scope annual capacity requirements in their data center.

However, new or unexpected business needs, unplanned software upgrades, seasonal business fluctuations, natural disasters, viruses and other short-term IT projects often require a capacity increase to the existing environment-capacity that may not be available.

Purchasing additional capacity might be the initial reaction. But what’s an over-worked IT professional to do when budgets are tight or the project requires a fully duplicated environment? In these situations, purchasing additional capacity to meet temporary needs is not the best use of a company’s cash.

ACCORDING TO TECHNOLOGY ANALYSTS, ABOUT 70% OF IT PROJECTS FAIL IN SOME CRITICAL WAY.

Short-term rentals, combined with “quick-ship” agreements that guarantee delivery within a certain critical time frame, solve these issues by giving customers interim access to often expensive IT equipment without the cost of purchasing or the risk and long-term commitment of ownership. Every day, an increasing number of companies realize that IT equipment rentals are a viable solution to otherwise insolvable problems.

Below we present five common enterprise situations where IT equipment rentals are the perfect solution.

1. WHEN YOU NEED TO TEST AND TEST OFTEN: MIGRATIONS AND PROOF OF CONCEPTS

According to technology analysts, about 70% of IT projects fail in some critical way. While a number of factors contribute to project failure, about half are due to inadequate testing. Gary, an IT manager at a large enterprise, desperately wants to beat these odds.

RENTING A CUSTOMIZED ENTERPRISE-CLASS ENVIRONMENT OFFERS SIGNIFICANT SAVINGS AND ENSURES THAT DATA CENTER SPACE ISN'T OCCUPIED BY IDLE EQUIPMENT ONCE TESTING IS COMPLETE.

Early on, Gary identified the critical applications that need to co-exist during the transition from an old environment to a new one. He knows of a temporary hardware test bed that duplicates his existing environment, just for the migration, will make the differences during the crucial cutover.

Software migrations can be overwhelming if not planned and executed properly. The complexity of a migration is determined by the type of software (operating systems, applications, databases, etc.), the extent of the upgrade and the potential impact of downtime.

IT rentals help by allowing the migration to be tested in a duplicate environment where technology professionals and business users can identify potential issues before production infrastructure is affected. This ensures that the migration is completed successfully, in time and with minimal impact to data integrity or the user.

These days, companies pour millions of dollars into their enterprise IT environments. Similar to migration initiatives, prior to rolling out a new hardware or software solution into an existing infrastructure,

IT EQUIPMENT RENTALS CAN BE LIFESAVERS BECAUSE THEY HELP COMPANIES:

PRESERVE IT BUDGETS & CASH: Rentals simply require less investment than purchases. The enterprise's cost commitment is predefined and temporary. Capital can be saved or earmarked for other investments.

INCREASE FLEXIBILITY: Until someone discovers a capacity planning crystal ball, IT professionals have to be agile and able to respond to unforeseen business problems or opportunities. IT equipment rentals, with terms that can vary from one weekend to a year if need be, provide this flexibility.

REMOVE RISE OF OWNERSHIP: Risk is an unavoidable aspect of ownership that many companies routinely reduce in a variety of ways. The explosion of robust web-based software for CRM, ERP and more has allowed many companies to quickly deploy complex solutions that previously required enormous investment in time, capital and human resources. IT equipment rentals provide the same ownership risk reduction, rapid deployment and peace of mind.

RECOVER QUICKLY FROM DISASTER: Because access to rental inventory is immediate, companies facing disaster-related business interruption can get critical services up and running within the brief time window (see Figure 1, page 3.) necessary to avoid a total loss.

the common practice is to first test the product for compatibility and performance.

Most companies bristle at the significant outlay of assets or cash to duplicate their enterprise environment and perform proof of concept testing. Again, IT rentals are the perfect solution to this problem. Renting a customized enterprise-class environment offers significant savings over the massive costs of an outright purchase

and ensures that valuable data center space isn't occupied by idle equipment once testing is complete.

Rentals provide flexible terms and payment schedules, allowing companies to receive the equipment they need for the duration that works for them. Then, they simply return the equipment at the project's completion. Should testing reveal that additional capacity needs are not temporary, the customer has the flexibility to purchase the equipment at significant discounts. This allows companies to quickly test and introduce new hardware and software solutions without increasing IT overhead.

2. WHEN YOUR IT PROJECT CATCHES "SCOPE CREEP"

John is a technology project manager for a large enterprise. His project is on schedule, but unanticipated add-ons have tapped all available resources. He will hire part-time programmers, but has no equipment to put them to work on. From experience, John knows that the red tape involved in purchasing the necessary new workstations will kill his schedule. Besides, he only needs the workstations for four months.

Known colloquially as "Scope Creep", there is nothing funny about this humorous sounding occurrence. In a Computerworld survey of 160 IT professionals, 80% reported "scope creep" occurring either "always" or frequently" during IT projects. Unfortunately, it is common today for IT projects not be implemented within the target time frame.

INDUSTRY ANALYSTS BELIEVE "SCOPE CREEP" COSTS BUSINESSES UP TO FOUR TIMES AS MUCH AS INITIAL DEVELOPMENT COSTS.

Industry analysts believe "scope creep" costs businesses up to four times as much as initial development costs. It zaps the life and momentum from IT projects in a variety of ways, including a reduced return on investment (ROI), increased maintenance costs

and even outright cancellation of projects that drag on too long as IT professionals watch their schedules expand and budgets fall apart simply due to the lack of resources at the time.

IT equipment rentals provide IT professionals with a low-cost way to add to their equipment infrastructure when “scope creep” demands more resources.

3. WHEN DISASTER STRIKES: THE CLOCK IS TICKING

“It sounded like a freight train,” said the person who heard the tornado. Sheila didn’t hear it, but driving into what looked to her like a war zone, she was aware of its impact. Her company’s building was gone and along with it, its entire IT infrastructure. Some 400 employees were out of work, unable to access data, call customers, log sales, or even make coffee.

She has to get her company’s core services up and running ASAP; she knows the longer they wait, the more it will cost to regain the lost ground. Otherwise, there are a hundred competitors ready to take up the slack.

Many companies are reeling from the effects of destructive hurricane seasons. As the number and ferocity of natural or manmade disasters (hurricanes, earthquakes, tsunamis, terrorist attacks) has increased in recent years, having a disaster recovery plan is a necessity for every organization.

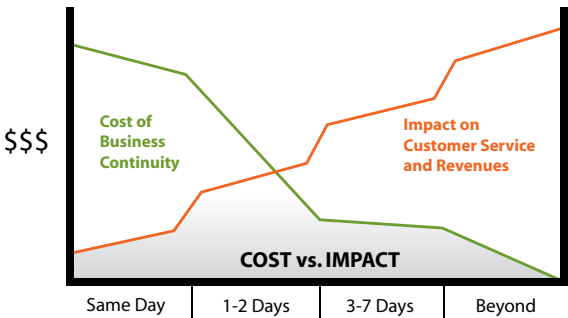
Interestingly, many enterprises still side-step the issue of disaster recovery altogether or maintain plans that are out of date or insufficient to meet business recovery expectations. This is bad news

because while many organizations can absorb a short-term disruption of critical services, the negative impact of a sustained business interruption increases rapidly and exponentially from the moment of its first impact (see figure 1 below).

Rapid escalation of disaster-based revenue loss and costs can harm a company whose business has been interrupted. Initial and ongoing recovery costs have certain break points where the costs significantly escalate. In simple terms, the faster one needs to recover, the more resources must be readily available and the greater the cost. Experts say companies should not wait until its too late to recoup these loses, but need to roll up their sleeves and set up alternative workspaces as soon as possible.

Renting IT equipment can be an ideal solution to any company in a serious bind. Depending on the availability of equipment, companies can often be up and running in days, providing services, sustaining revenue, and freeing up capital and time which may be in short supply when disaster strikes.

FIGURE 1: DISPLAYS THE RELATIONSHIP BETWEEN COSTS AND IMPACT OF A DISASTER RELATED DISRUPTION OF CRITICAL SYSTEMS



THE NEGATIVE IMPACT OF A SUSTAINED BUSINESS INTERRUPTION INCREASES RAPIDLY AND EXPONENTIALLY FROM THE MOMENT OF ITS FIRST IMPACT.

4. 'TIS THE SEASON': SEASONAL SPIKES IN CAPACITY NEEDS

Public television station WXYZ runs a membership drive twice a year. Bill, the station manager, knows the value of CRM in acquiring, communicating with and retaining customers. He wants his 100 or so phone bank volunteers to have Voice over IP (VoIP) and workstations enabled with a powerful CRM solution. Even if he had the money to buy the workstations, they would remain idle for 10 out of 12 months. His boss will think he's insane.

When seasonal or short-term capacity changes affect a company's IT utilization, the most common strategy is to build-out the enterprise to handle the spikes in capacity. However, this strategy is not cost-effective and negatively impacts return on assets (ROA).

SEASONAL RENTALS REDUCE THE TOTAL COST OF OWNERSHIP IN YOUR DATA CENTER.

Through IT equipment rentals, businesses can increase capacity and respond to seasonal computing needs without impacting their balance sheets. This utility computing solution allows companies to scale up or down as needed without paying year-round for equipment that sits idle the majority of the time. Therefore, seasonal rentals reduce the total cost of ownership in your data center and can be used in the following scenarios:

- Retail holiday rushes
- Tax season
- Hallmark holidays (Valentine's Day, Mother's Day, Father's Day)
- Fiscal year-end processing

5. WHEN YOU OVER PROMISE AND MUST DELIVER

Megan's start-up company just landed a large, lucrative project. That's the good news. The bad news is the project exceeds the hardware resources Megan's company has available. While the

income potential is high, it's not enough to justify borrowing money to purchase new equipment, and it's too early in the game to lay out a large chunk of capital for a client that may or may not stay with her full time.

OPPORTUNITY DOESN'T ALWAYS MATCH TACTICAL ABILITY AND IT'S HARD TO SAY NO WHEN OPPORTUNITY IS KNOCKING ON THE DOOR.

SMBs (small to medium businesses) that are striving to grow their business are perfect candidates for IT rentals. Opportunity doesn't always match tactical ability and it's hard to say no when it's knocking on the door.

By strategically using IT equipment rentals, SMBs don't have to turn business away due to a lack of infrastructure. IT equipment rentals allow them to "tool up" almost overnight.

EXECUTIVE SUMMARY

IT rentals are a cost-effective means of solving a variety of short-term IT equipment needs. From providing a custom duplicated test environment for software migrations and proof of concept projects to boosting seasonal capacity computing power and disaster recovery preparedness, IT rentals are a logical and fiscally responsible solution to even the most demanding company's equipment needs.

With customized rental terms and payment schedules, companies around the world are realizing that IT rentals are the smartest and easiest way to access the equipment they need for short-term projects, while maintaining the financial flexibility and preserving capital.

ABOUT CANVAS SYSTEMS

With over \$100 million dollars in inventory – Canvas Systems is one of the largest, independent suppliers of new and refurbished IT equipment in the world. Our immediate access to IT equipment from the leading manufacturers, such as IBM, HP, Dell, Cisco and Juniper, helps our clients realize significant cost savings of 50-70% off at every stage of the IT lifecycle: buying, selling, repairing and disposal.

Our staff features some of the top technical engineers in the country, all of whom spend their days testing and retesting equipment so they know it inside and out. This expertise allows us to provide a variety of high-end services, including maintenance, leasing and rental, data migration, supply chain solutions and disaster recovery, at rates that are a fraction of those charged by the well-known consulting firms and service providers.



HEADQUARTERS, USA
3025 Northwoods Parkway
Norcross, Georgia 30071
toll-free: 1-877-CANVAS-9
local: 1-770-662-1881
fax: 1-770-662-1883

www.canvassystems.com

WARWICK, UNITED KINGDOM
Unit 6, Titan Business Centre
Spartan Close
Warwick, Warwickshire, CV34 6RR
local: +44 (0) 1926-477600
fax: +44 (0) 1926-477601

www.canvassystems.co.uk

AMSTERDAM, NETHERLANDS
Coengebouw, Kabelweg 37
1014 BA
Amsterdam, Netherlands
local: +31 (0) 20-606-1060

www.canvassystems.nl