

7 reasons why leasing makes sense

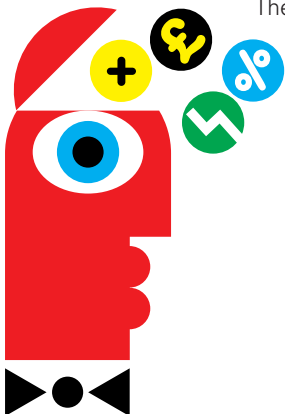
You don't have to buy digital print hardware to benefit from it. Leasing offers many more advantages than you might have realised. By **Viveka Alvestrand**



FREE UP YOUR FINANCES

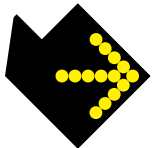
By leasing, instead of buying with cash, you'll be freeing up a sizeable chunk of the working capital that your business needs for other outgoings.

The only extra work involved is budgeting for equipment month-by-month.



BENEFIT FROM THE LATEST TECHNOLOGY

Xerox is constantly developing new digital print technology, so even the best hardware is improved upon. When you lease, obsolescence is made... well, obsolete. If an improved, updated or upgraded version of your equipment reaches the market, you can upgrade simply and conveniently, and at minimal cost. You can also see if specific equipment works for you – and if it doesn't, you can change it at little cost to your business.





POTENTIALLY PAY LESS TAX

You may be able to classify your monthly leasing payments as an operating expense – it depends on your business – and this could mean substantial tax savings over the average five-year ownership cycle. Talk to your accountant or tax advisor to find out exactly what tax benefits leasing could give to your business.



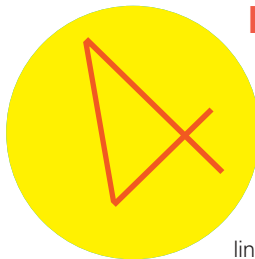
AVOID PAYING BIG LOAN DEPOSITS

If you take out a bank loan to buy an expensive piece of hardware, you will need to put down a hefty deposit, usually 10-25% of the purchase. With a lease, you finance 100% of the machine's value – so this is a kind of loan that requires no deposit.



SIMPLIFY YOUR CASH FLOW

When you lease you can combine the cost of equipment, servicing and software in one simple, periodic payment. Not only that, you can also customise the length, terms and payment schedule of your lease to match your cashflow.



PRIORITISE YOUR CREDIT NEEDS MORE EFFICIENTLY

By leasing, you will avoid using up your available credit lines. Keeping credit lines free for those outgoings that cannot be paid on a rental basis, and allowing for unexpected outgoings and new investment opportunities, is one of the key ways of keeping your business reactive to changes in the market.

Leasing: a brief history

- There is evidence that leasing took place in Babylon and ancient Egypt from as early as 2000 BC.
- The first written lease regulations were published in the Justinian Code of the Byzantine Empire, which dates from 550 AD. The code distinguishes between operating leases and financial leases.
- In modern times, the leasing phenomenon first appeared in Europe in the 19th century, when leasing contracts were signed in Britain for railway wagons.



AVOID CAPITAL BUDGET CONSTRAINTS

If you buy hardware outright, the money is normally taken from the company's capital investment budget. However, a lease is classified as an operating expense, making it easier for you to get sign-off, and leaving your capital budget free should you later wish to purchase. Simple!

GOT A QUESTION?



To find out more about how to lease the latest Xerox technology – and how to benefit from other financing options – contact your Xerox sales representative or visit www.xerox.com/magazine