

7 Steps to IT Asset Leasing Heaven.

Asset Finance and
Management Services



7 Steps

At **Maxxia**, we often encounter companies that dismiss the idea of leasing, because of bad experiences in the past. They cite punitive extension charges, unrealistic residual values, a lack of clarity about available options at the end of the lease period, and complex, unclear returns procedures.

When delivered in the right way, leasing delivers the flexibility, support, and transparency that modern businesses need, a fact which was reflected in the phenomenal growth of 2012; with asset finance deals for IT equipment alone seeing double-digit growth of 17% to encompass a staggering £1.4 billion.

When it comes to examining IT leasing offerings, a little homework at the onset can save you lot of heartache at the end. Leasing isn't a one-size-fits-all solution, your needs are different from the next company's and any leasing offering needs to reflect this.

So to help you in your search for the best possible leasing arrangement, here is our **7 STEP GUIDE** on what to look for when analysing and comparing offerings.

1

Don't just focus on the monthly fee

The monthly leasing charge can be conveyed in a number of ways. As a result it can hide details that may not seem important at the start of a leasing agreement, but when it comes to returning and replacing equipment you may find yourself out of pocket. For example, the monthly figure may be given as either a percentage of an asset's original purchase price or as an absolute monthly amount. So take some time to do a little detective work in order to uncover what is behind this figure, what it really takes into account and above all don't be fooled by unrealistic residual values!



2

Ask for a full breakdown

The devil is in the detail.

So make sure you are given a comprehensive breakdown of all the elements of any offering; this should include the actual interest rate, other fees and payments, plus extension rentals should you choose to keep the equipment beyond the primary term.

3

Find out about the asset management tools on offer

Without the right tools, asset management can be both challenging and time consuming, even if you are only dealing with small numbers. An effective asset management tool should cover the entire leasing life cycle and do far more than just manage effective returns and avoid unnecessary lease extensions. With full visibility over all your leased assets you can track usage, location, lease status, and even run on-demand reports for cost monitoring and budgeting purposes.

To discover just how comprehensive an asset management tool is, ask the following questions:

How user-friendly and flexible is it?

Who is responsible for keying in the asset data?

Is the tool accessible online?

Is it interactive?

Is there an additional charge for using it?

What customer support is available?

4

How flexible is the agreement?

Don't underestimate the importance of freedom and flexibility. The needs of a business can change without warning, so you need an agreement that can change with your circumstances. To find out just how flexible a potential provider is, ask the following questions:

Will you have freedom in the future to choose the assets you want?

If you decide to extend the lease, can this be done for individual assets, or will you be forced to renew the contract for all assets?

How far in advance of the end-of-lease date do you need to make a decision on what to do with the assets?

Is there any flexibility with the returns window?

5

How good is the customer service?

Everyone wants your signature on the lease, but what about the customer services after you have signed? You need to be happy that you will be provided with full customer support at all times. If they have an asset management register it must be updated and assist you when the time comes to return the assets. Also it's important that any provider can demonstrate the level of competencies and skills of its customer service department and staff.



6

Make sure your data is secure

With IT assets you will be storing sensitive company data so you need to ensure it doesn't fall into the wrong hands. Confidential information comes in many forms, and robust data security is crucial to protecting your business. So when it comes to returning leased IT equipment, it's vital that you are happy with the data erasure procedures. Ask the following questions:

How is the data erasure process implemented? What software is used?

Is the process certified by a relevant third party? Which devices follow the process?

Does the lessor provide a report on the data erasure process detailing the devices erased, how successful the process was, and details of any devices that have not been erased?

7

What happens at the end of the primary lease?

All too often companies encounter the biggest problems when it comes to returning leased assets, so you need to think carefully about what will happen to the assets at the end of the primary lease. Asset disposal should be simple and hassle free, but complex processes, hidden logistics costs, and unclear responsibilities can make returning leased assets a major headache. In addition it can be an extremely time-consuming process, especially without a comprehensive and up-to-date asset register, so it's important that you demand absolute transparency. Ask the following questions:

Are all costs related to returning the equipment fully detailed in the original offering?

Are you required to return all items, including peripherals such as mice and cables?

Does the overall leasing solution include logistics services, such as packing, collection and transportation?

Is there a management tool or portal to help you keep track of the leased assets? Do they provide timely notification of leases coming to an end?

Will you get help with the returns process? Is there any flexibility with the return period to give you sufficient time to locate, check, pack and return the equipment?

In what condition are you expected to return the equipment?

Above all, our advice is to **check** the small print!

About us

“ **Maxxia** provides enterprise-wide financing solutions to a broad range of sectors.

It has significant expertise in structured finance, vehicle leasing and fleet management, IT lifecycle management and general asset financing. With a focus on transparency and collaboration with customers, **Maxxia** creates finance solutions that meet the individual objectives of an organisation. ”

We hope this has given you a helpful insight into making the most of IT asset leasing.

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