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# To buy or not to buy?



Does anything (besides a snow day) get a team or department off-task and worked-up the way a flashing error message on a network printer can?

In spite of the buzz about tomorrow's paperless office, businesses today print more documents than ever. According to IDC, 929 billion document pages were printed in 1998; 1.49 trillion document pages were printed in 2002; and an estimated 1.84 trillion document pages will be printed in 2006.

All of this printing means that hard-copy output costs can have a powerful impact on your bottom line. Indeed, printing costs represent from one to three percent of the average company's total revenue (Gartner).

Given the impact that printing has on your budget, investing in a commercial printer that is fast, efficient, and reliable is essential. Still, you don't want your printer to be a large expense or to become a drain on your cash reserves or line of credit.

## Does that mean you should lease?

Many people believe that leasing is for small and mid-size businesses that need to conserve their capital. But there's much more to it than that.

In fact, the Equipment Leasing Association reports that, "Effective leasing strategies can reduce the direct cost of equipment by 12 percent for organizations of 1,000 or more units. Total cost of ownership can be further reduced by 15 percent when the leasing strategy is integrated into a broad initiative to manage the computing environment."

No matter the size of your enterprise, leasing your printing and imaging equipment offers a number of benefits. Leasing can help you:

- **Conserve capital** – There's no large up-front payment.
- **Align costs with business** – You spread your costs out over time, paying for your equipment as you reap the benefit.

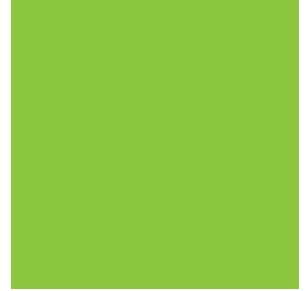
- **Stabilize cost of ownership** – Many people believe that the TCO for printers decreases after the third year of ownership. In reality, the expenses of increased maintenance and downtime can cause costs to rise in years four, five, and six. When you lease, you enjoy the benefits of the latest technology without experiencing the diminishing returns of outdated equipment.
- **Facilitate regular asset refresh** – Leasing schedules simplify the refresh process, minimizing the risks of obsolescence and ensuring that your technology is always up-to-date.
- **Eliminate disposal costs** – When you own your printers, disposal costs for old technology costs around \$120 per printer – whether you recycle them or trade them in. Leasing allows you to utilize end-of-life solutions for technology removal.

## Financial services you can count on

When you finance your printing solutions with HP Financial Services (HPFS), you get immediate access to a complete acquire-to-retain suite of financial services. HPFS helps you to enhance your profit margins and meet your total cost of ownership (TCO) requirements by providing the right lease terms for your needs.

Leasing through HPFS is the smartest way to invest in IT, because you can:

- **Keep your capital** – Finance 100 percent of the total solution including software and services while choosing from a 36, 48 or 60-month lease term.
- **Preserve your existing credit lines** – Leasing gives you a new source of credit for present and future needs.
- **Balance your budget** – Leasing guarantees you a fixed monthly payment for the length of the lease term.



## Save money with leasing

Most successful business people will tell you that taking risks is essential to forward movement. But not every aspect of running a company should involve leaps of faith. For example, your plans for financing major purchases should be rock-solid and predictable.

Leasing printing equipment from HP Financial Services is a smart way to conserve capital while keeping your technology up-to-date – and there are no surprises.

Entering into a leasing agreement means that you (the lessee) can use the equipment owned by the lessor (HP Financial Services). There is usually a written agreement that outlines the terms including fees, length of term, timing of payments and what will happen at the end of the lease. When you work with HP Financial Services, you can choose between common types of leases:

With a Fair Market Value Lease or FMV (also known as a true lease), you'll have a lower monthly payment along with the following options at the end of your agreement:

- Upgrade to the latest HP technology and enter into a new lease
- Purchase the equipment at its then-fair market value

- Renew or extend your lease at a lower monthly payment
- Continue using the equipment on a month-to-month basis
- Return the equipment to HP Financial Services with no further obligation

With a finance lease, you get the added benefit of claiming ownership of the leased equipment for tax purposes. Then you can claim deductions for depreciation and interest paid. Most businesses select the \$1 Buyout Option — which is great for businesses that plan to keep the equipment beyond the lease term. At the end of the lease term, you may either replace the equipment with new technology and enter into a new agreement or purchase the equipment for \$1.

Helping you acquire the technology you need to keep your business running efficiently is what HP Financial Services is all about.

# Regular asset refresh



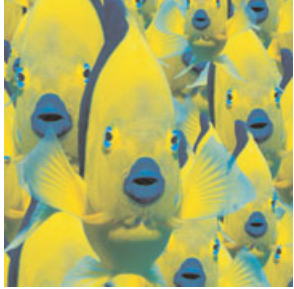
Picture this: Business is better than ever. You have new clients, new ideas, and a new enthusiasm for what you do. But one thing is nagging you at the back of your mind: Your printing equipment isn't as up-to-date as you'd like it to be for this next phase of success. In fact, you fear that your oldest machines could be obsolete before you know it. And then what will you do?

HP Financial Services understands how important it is to have complete control over the entire lifecycle of your technology investments. Instead of buying machines that will become outdated over time, HP Financial Services allows you to take advantage of the most productive time of your technology's life. For example, if you need an HP Indigo press 5000, you can choose a lease term that matches the time you'll get the most out of that machine. When the lease is over, you can update it quickly and easily and avoid getting saddled with obsolete equipment.

Benefits of leasing:

- In addition to keeping your equipment up-to-date, leasing with HP Financial Services helps you to improve your cash flow.
- Lower your overall cost of printing and computing by investing in solutions that are easy to maintain. Your lease can include equipment, software and soft costs such as routine maintenance.
- Preserve your existing lines of credit.
- Acquire the equipment you need while keeping an eye on your company's technology budget.
- Plan your technology strategy based on your business needs with predictable monthly payments.

# Scaling with business growth



## **It's time to grow your business**

Having the right technology behind your business is key to successful returns. Without it, the outlook's not so sunny. And the expansion of your business – whether you're a small company, enterprise, or print service provider – is dependent on embracing the latest technology. For example: Moving from off-set to on-demand digital printing streamlines operations, makes you more adaptable to new markets, and increases revenues.

But how do you make the leap to the newest growth-producing printing equipment without straining your financial resources? With HP Financial Services, you'll find flexible leasing options, including the current Step Up program. It paces the price of growth with graduated monthly payments for the first six months of your lease term on an HP Indigo digital press solution.

With a lease, you not only make expansion affordable, but also preserve cash and lines of credit for other business needs, like attracting and retaining clients. You can also take advantage of accounting and tax benefits, such as claiming the leased printer as an expense rather than an asset.

## **Moving ahead with HP technology**

Reap the rewards of a high-performance HP Indigo digital press:

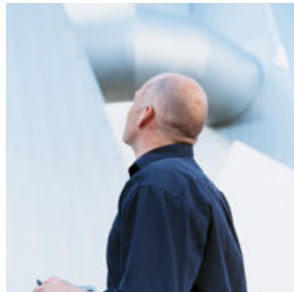
- Minimize risk
- Increase agility
- Improve performance
- Maximize return

By partnering with HP on equipment and software, you keep costs low and options open, ensuring that if your business outgrows the solution, you won't lose money; it can easily be upgraded to meet your company's new demands. And with maintenance included in your contract, you needn't worry about the additional expense of repair service. Overall, your resources will be optimized.

With this color digital print-on-demand plan, customization is easy, production turnaround is shortened, and workflow is enhanced: Business runs at its optimum, giving you flex in the marketplace and distinguishing your company as results-driven. And with a lead on your competitors, you'll be able to foray into new markets, develop more clientele, and collect higher returns.

## **The benefits of HP Financial Services**

It's easy to finance the solution you need to get ahead. Finance 100 percent of your new investment and choose from several flexible terms: 24, 36, 48, or 60 months. At term's end you have plenty of options: You can purchase your printer at fair market value, extend the lease and keep the machine you have, or upgrade to the latest in printing and imaging technology.



## Introduction

"Use it or lose it," it's often said. And it's true: If your company's imaging and printing equipment can't adapt to marketplace flux, you'll lose opportunities—and even succumb to unexpected threats. So, how do you adapt and pump up your ROI? It starts with the right equipment, on the right lease program.

Industry analysts say that an effective lease plan can lower your total cost of ownership by as much as 10-15 percent annually. And HP Financial Services makes it easy to achieve these results with leases customized to your specific financial and technological needs. They also provide full services for transitioning, acquiring, managing, and retiring your HP solutions.

## Benefits of asset management

No matter what your needs, HP Financial Services can help:

If your current equipment meets your technology needs, then the sale lease-back transaction is ideal for your business: You get immediate cash (think new investments) for selling your imaging and printing equipment to HP Financial Services — along with capital and tax advantages. (Leasing this equipment back from HP Financial Services means you no longer claim it as an asset.)

This also establishes a refresh cycle: Use your old equipment for the lease term, then upgrade to the latest technology at term's end. The trouble of asset disposal will be eliminated, which can be a challenge with today's

increasingly stringent environmental restrictions.

Asset recovery service provides removal and assessment of all your unwanted equipment. HP Financial Services will pack and ship equipment to its assessment center, minimizing hassle and the risk of damage. HP Financial Services' specialists then determine how to derive the most value from it: refurbish and resell, part out, or recycle. They'll even figure out how to leverage value from your existing equipment, regardless of the vendor. Once decisions have been made, all company identification will be removed. It's an end-to-end solution that eases the move to new equipment.

HP Financial Services' asset disposition involves picking up and disposing of your obsolete equipment in an earth-friendly manner. Company identification and proprietary data will be removed before disposal. Asset disposition takes a considerable task out of your hands, allowing you to focus on your business.

## Instant ROI for HP Imaging and Printing promotion

Make the transition to adaptive technology and streamlined asset management today. Your ROI will show it.

Stay ahead of the curve. Contact HP Financial Services at 1-888-215-8868 or visit us on the web: [www.hp.com/hpfinancialservices](http://www.hp.com/hpfinancialservices)

For more information on how working with HP can benefit you, contact your local HP sales representative, or visit us through the Internet at our world wide web address: [www.hp.com](http://www.hp.com)

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