

by John Dondey

Baytree Leasing

jdondey@baytreeleasing.com

When Lease is More:

Benefits of Leasing and Financing Programs For Law Firms

According to a recent Gartner, Inc. Survey, IT expenditures among United States businesses are forecasted to increase 5.5% by the end of 2006. More mergers, bankruptcies, more documentation, more legal proceedings, an ever growing complexity in rulings and more regulatory restriction, has fueled the needs of law firms to expand their IT investments. A recent study by MillardBrown focusing on the IT Purchases in the legal market demonstrates that law firms are open minded to procure new IT solutions to address a myriad of needs and requirements.

In the current economic climate, with interest rates on the rise, law firms must begin to rethink their IT budgeting and acquisition strategies. Leasing industry statistics reflect that leasing becomes a more popular and attractive option when interest rates escalate. Even law firms with substantial cash reserves discover there are better ways to use cash than tying it up in depreciating assets such as IT equipment and software.

Leasing provides the law firm with fixed, scheduled payments to simplify expense budgets and provide a hedge against even further rising interest rates. This will protect the law firm from inflation and allow them to project future cash outlays with greater accuracy. Additional benefits of leasing include:

Conserve Capital

Leasing offers a low initial investment because large capital outlays are avoided and working capital is preserved.

Preservation of Bank Credit Lines

Leasing IT equipment frees your line of credit for short term operating capital, business expansion and other unexpected expenses.

Flexibility

Leasing is flexible and can be structured based on the firm's specific cash flow patterns and streams of income. It allows

the firm to be flexible in the management of their technology investments.

Technology Refresh

Leasing your IT investments allow you to "keep up" with ever improving technology enhancements. Leasing provides for upgrades, add-on and technology refresh during the term of the lease. Further, leasing allows for 100% financing including all technology costs (software, services, implementation, consulting, training).

Simple and Convenient

Leasing simplifies IT procurement and is easier than bank loans. Qualified leases may have tax benefits and ordinarily fast credit decisions and simple applications make the process quick and efficient. ■

John Dondey is the National Sales Director for Baytree Leasing, a legal market lease and financing specialist. He may be contacted via e-mail at jdondey@baytreeleasing.com.