



“Cutting Business Expenses – Lease Agreements and Technology Upgrades”

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Renegotiate Lease Agreements

In the same fashion that you can negotiate with your creditors and vendors, you can also negotiate to lower your lease agreements. Your landlords, or other leaseholders would likely rather lower your rates than lose you as a customer. Whatever property you are leasing, they would likely rather keep you as a steady form of income than have to spend the time and resources to find another tenant.

Terminate Unnecessary Technology Upgrades

If you are near the end of the fiscal year, all of your managers will likely have plans to make purchases for tax or budgetary reasons. Put a stop to this. If you are operating your business and your current technology is adequate to process the daily business transactions, then you likely do not need to upgrade for 18 months.

According to Moore’s law, the speed of technology doubles every 18 months, and conversely the cost (if it were not artificially inflated like it is by the big computer companies) should decrease by one half.

In reality, all computers reached a threshold in the last part of the 1990s. At that point the standard computer systems were powerful enough to run all the applications necessary to operate a business. What you see now is an endless rollout of new operating systems by Microsoft (Windows 95, Windows 87, Windows XP, Windows Vista, windows 7— and this is only 10 years) to confuse the public and generate revenues.

These new operating systems just get bigger and slower and it is the operating systems that require bigger and new computers. The business applications that run on the operating systems do not require any new upgrades. The computers of 1999 were fast enough to run it all. We did



not and do not need any more of these operating systems.

The bottom line in all of this: Do not upgrade your operating systems on your workstations and you can keep those computers for a very long time.

This pattern is replicated on most other computer architectures besides the PC as well (midranges and mainframes), although not to the degree it occurs with the personal computer.

In short, you can significantly reduce costs by putting a stop to the upgrade craziness. You can also apply this information to your longer-term plans as well, but make sure to put a stop to all current upgrades during the turnaround; you do not need them.