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Many Enterprises are Extending the Useful Life of Notebooks to Save Money. But Keeping Notebooks Past Their Prime Costs Business Far More Than it Saves.

- *Many companies are extending the useful life of their notebook computers from the recommended 3 years to 5 years in an effort to save on replacement costs.*
- *Keeping notebooks an additional 2 years (into years 4 and 5) actually costs \$960 per machine, which is equivalent to a typical replacement cost.*
- *Further, outdated equipment will cost the organization \$9600 in end user lost productivity*

Northborough, MA, April 23, 2009: Analysis of data and a **Key Finding** (see below) from a major business-oriented mobile research report is being released by J.Gold Associates. The study, *Keeping Notebooks Past Their Prime: A Study of Failures and Costs*, addresses the tendency of many companies to extend the lifetime of their notebook computers in an attempt to avoid capital equipment purchases in these challenging times. J.Gold Associates created a cost model that analyzes the costs contributed to failures of notebook computers throughout their lifecycle. It assumes three deployment scenarios: a notebook deployed for 3 years under an extended 3 year warranty, a notebook deployed for 3 years with only 1 year of warranty coverage, and a notebook deployed for an extended lifecycle of 5 years. The model provides a comprehensive analysis of the true costs associated with business notebook failures that reflect upon the actual usage of the deployed devices, including variations in failure rates over the life cycle, costs of repairs both in and out of warranty, IT

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tasks and labor rates, end user effects, etc. From this data, per device cost associated with machine failures in each year of service has been calculated, and a total cost per device has been determined.

Key Finding: Keeping a notebook computer in years 4 and 5 will cost an organization an additional \$960 per device deployed, which is equivalent to the typical cost of a new notebook. Further, outdated equipment will cost the organization \$9600 in lost end user productivity.

Says Jack Gold, President and Principal Analyst of J.Gold Associates, LLC. about this key finding, "Our intent was to identify the true costs associated with failures of notebook computers deployed in the enterprise. Further we wanted to determine whether extending the life of a notebook for an additional 2 years as many companies are now considering made economic sense. We discovered that the added costs of keeping a machine for 5 years instead of 3 years actually exceeded the cost of purchasing a new notebook after year 3."

Some additional key findings include:

- The cost to repair a failed notebook while under warranty is \$970
- The cost to repair a failed notebook not under warranty is \$1425
- The per machine "Failure Tax" for each notebook deployed in the organization is \$126 in the first year and increases dramatically throughout the life of the machine, but will change based on variations in machine failure rates from different manufacturers and/or models.

The complete research report and its cost model is available for purchase from J.Gold Associates, LLC.

Further information can be obtained by contacting Jack Gold, Founder and Principal Analyst, J.Gold Associates, LLC, at 508-393-5294, or by email at jack.gold@jgoldassociates.com

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Jack E. Gold is founder and principal analyst at J.Gold Associates, LLC and a former vice president at META Group, with over 35 years in the computer and electronics industries.

About J.Gold Associates, LLC:

J.Gold Associates is a **Technology Analyst Firm** providing its clients with insightful, meaningful and actionable analysis of trends in the computer and technology industries and the resultant implementation challenges that affect corporate operations. We maintain a broad based knowledge of the technology landscape and its implications for organizational strategies, and bring that expertise to bear in our work. We cover the needs of business users in enterprise and

SMB markets, plus focus on emerging consumer technologies that will quickly be re-purposed to business use.

J.Gold Associates provides strategic consulting, advisory services, syndicated research and in-context analysis to help its clients make important technology choices and to enable improved product deployment decisions. We work with our clients to produce successful new product strategies and deployments through strategy workshops and reviews, business and strategic plan coaching and reviews, assistance in product selection and vendor evaluations, needs analysis, competitive analysis, and ongoing expertise transfer. We can provide companies with a trusted and expert resource to maximize investment and minimize risk.