

How to buy a computer

The basic steps to buy a computer to meet your business needs are:

1. First work out which business activities you wish to computerise, then what software and hardware will be necessary.
2. Secondly, work out where you are going to buy your computer.
3. Then make sure you get a quote and work through it carefully.
4. Check the quote against a set of minimum specifications.
5. You will almost certainly also need to acquire some computer programs or 'software' so you can do useful things on your computer.
6. You may consider renting or leasing rather than buying.

Identify your specific needs

Generally, there are 3 simple steps to determining what you will need in a computer:

- Identify which activities in your business you wish to computerise.
- Focus first on the businesses departments or activities, eg bookkeeping, purchasing, sales, debtors/creditors ledgers, administration etc.
- Focus on which functions are to be performed in these areas of activity, eg writing correspondence, reports, quotes, data analysis and calculations, information storage and retrieval, sorting, report generation, mapping, graphing, publishing materials.
- Determine which software will perform these functions, eg Wordprocessors, Spreadsheets, Databases, Accounting, Graphics, and Desktop publishing packages etc.
- Once you know which software is required and who will use it, you can determine the hardware requirements, eg desktop models for retail outlets or offices, portables for traveling representatives, bureau services, internet communications etc.

Find a computer vendor

There are literally hundreds of companies selling computers, and fundamentally four kinds of suppliers from which you can buy computers:

1. **Large retail outlets or department stores:** These retailers sell a range of electrical goods such as fridges and televisions as well as computers. If your needs are uncomplicated and you don't need on-going support apart from a warranty, these outlets may be considered for buying a first computer. They are more likely to sell well known brand names, but these may be configured more for home use than office use. At the very least, a large well-known company is likely to still be in business for several years to come.
2. **Specialist computer retailers:** Specialist retailers often assemble their own products locally rather than selling well-known brands. However, such computers can represent as good or even better value than brand names. These companies are probably the best bet if you want a more powerful computer, or expect to need several computers, which you can network together, or if you want to develop an on-going relationship with a supplier who can provide extended technical support. However, consideration needs to be given to whether your chosen store will remain in business over the longer term.



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- 3. Computer 'swap meets' or the second-hand market:** It is certainly possible to pick up some bargains at these events, or through classified ads for second hand materials. However, on-going support is likely to be nil, and there is no doubt that a small business buying its equipment this way would be taking a considerable risk as often these machines are outdated, even if they are less than 2 years old. Also be sure they can run all of the programs you will require.
- 4. On-line retailers:** Some of the largest computer manufacturers (including the world's second largest) only sell via the internet. They offer exceptional value for money due to low overheads, but you need to know exactly what you want to effectively use this option.

To find a reputable company, work through these steps:

1. Ask anyone you trust if they can recommend a computer retailer.
2. Check out company advertisements in the Yellow Pages or in newspapers and computer magazines aimed at the business user.
3. When you have developed a short list, ring up the companies. Make a note of how long it takes you to be put through to a knowledgeable representative. A company which is too busy to respond quickly to a genuine enquiry is likely to be too busy to give you good advice or provide after-sales support.
4. When you are put through, say that you are considering buying a business computer, but don't get drawn into a discussion on particular models, speed, or any of the technical details.

Ask these questions:

- How long has your company been selling computers? *The longer the better.*
- What brands of computer do you sell? *Well-known and reliable names would include IBM, Apple, Compaq, Dell Gateway etc. But don't be put off if the answer is 'our own brand which we assemble here', as the price may be considerably lower than on 'big name' brands.*
- How long is the warranty period on your computers? *Look for at least 2 years parts and labour and don't get tricked into 5 year warranties as you might not keep the machine for that long.*
- Can you offer me a service agreement on your equipment? *Yes is good, but get the details.*
- Do you have an on-site service department? *Yes is good. If you visit their premises, ask to see it. It shouldn't be too busy.*
- Do you provide any support for installing software? *Yes is very good, but rare.*
- Do you offer training in the use of the equipment or the software? *Yes is very good, but rare. If no, ask if the company can recommend a training partner or service provider.*
- Do you have a help line or after-sales technical support? *Yes is good, but rare. If no, ask if the company can recommend a source of help.*

Get quotes

When you have narrowed the list of computer vendors, make an appointment during business hours to visit them. The following tips can assist you to obtain the best quotes to meet your business needs:

- If possible, take a friend along with you who has reasonable computer knowledge.
- Don't get drawn into technical discussions too quickly, but instead outline what you plan to do with the computer. Discuss both your immediate needs and your longer-term plans.



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- Make sure you mention that you wish to use e-mail and have access to the Internet. If you plan to have more than one computer in your office, you should mention that you wish to be able to link them together.
- If the salesperson insists on throwing technical terms at you rather than listening to your requirements and patiently explaining your options, you are probably in the wrong place.
- Try not to feel intimidated by the salesperson. He or she may understand more about computers than you do, but you are certain to know a lot more about running a business than they do.
- Get the salesperson to agree to provide you with a written quotation for the system they recommend. The quotation must include a detailed system specification and outline all the possible options and their costs, and include a written statement of warranties and service contract details.
- When you get the quote, look through it carefully. There is bound to be a lot of confusing technical detail in the quote, but don't let this intimidate you or put you off.
- Get several quotes and compare them.

The issues

In simple terms, the issues to be discussed when buying a computer include:

- Processing Speed (CPU speed) measured in MegaHertz (MHz).
- Current typical speeds are around 300- 500MHz.
- Memory size (RAM) measured in MegaBytes (MB).
- Current typical sizes include 32MB, 64MB, 128MB.
- Hard Disk Drive size (HDD) measured in MegaBytes (MB).
- Current typical sizes include 1GB – 4GB (GigaByte)
- Monitor size. Screen size measured in inches. Resolution quality Super VGA (SVGA)(colour).
- Current typical screen sizes include 14", 19", 21" etc.
- Accessories include Floppy Disk Drives, CD ROM's, Scanners, Speakers, Joysticks etc.
- Communications include modems (28Kbps, 33Kbps, 56Kbps speeds are OK), Network cables, WAP Phones etc.
- Other considerations include warranty, installation, support, training, scalability (upgradability), cost, methods of financing, processing in-house or outsourcing.

Suggested computer specifications

Look for the following at a minimum. Use a highlighter to mark the bits in any quote that you can recognise from this checklist. If you don't see something in the quote that is in that list, ring and ask about it.

Computer

- Super VGA Monitor (read – "colour screen") capable of displaying thousands of colours at a resolution of at least 800 x 600 pixels ("dots"). The screen size will be starting at 14" but sizes bigger than this are more costly but easier to read.
- 101 key keyboard.
- Mouse.



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- CPU (fancy term for the 'brain' of the computer). CPU speed today should be at least 500MHz. The larger the number here the better however, the higher the number, the higher the cost. Many business applications will run perfectly well at 166 MHz.
- CPU speed is the aspect of computers, which is changing most rapidly. In a year's time from now, 500Mhz will be considered 'slow' by the computer nerds. For most business purposes, it will still be fine.
- Hard Disk (read as 'Permanent Storage'). In a new computer look for a capacity of at least 4GB ("four gigabytes").
- RAM (read as "Computer Memory"). Might also be listed as DRAM. At least 32MB ("thirty-two megabytes"), but 64MB would be preferable. The bigger the number here the better and again it adds to the cost.
- CD-ROM drive. Speed should be at least 24 times standard speed.
- Sound card. While not essential for business purposes, a sound card can be useful for viewing some Internet services. Look for "Sound Blaster compatibility". You would also need a set of speakers to play the sound.
- (optionally) Network Card. If you are going to link several computers together, they will all need compatible network cards, and you'll need cabling to link them.
- (optionally) SCSI Connector / USB Connector. These are connectors, which let you plug in other devices such as extra hard disk drives or scanners. SCSI is more common, but USB is intended as the 'up and coming' standard.
- Modem, should be 56K speed. Many new systems come with 'internal' modems, which fit inside the computer case. These are OK, but there are some advantages in having an "external" modem which sits in a separate box.
- The advantages lie in being able to visually monitor activity on the modem, and in ease of replacement.
- Cost. At today's prices, a business system configured (without the optional items) as above or better should cost no more than \$3,500.

Other equipment to attach to your computer (the vendor may call them 'peripherals') would probably include a printer. Your needs for a printer will depend on your business needs. Typically, a small business would be suited with a lower-cost laser printer. You might also consider a scanner for reading in images or documents.

Buying software

Software is what makes a computer useful. The software you acquire will depend on your business needs. Word processing and spreadsheets are common business applications. For looking after accounts for small businesses, there are a number of packages on the market. You will need to look at some of these programs in operation before making a decision.

When you are getting quotes, find out if any software comes pre-installed. At the very least, the 'operating system' must be included. On new systems such as those outlined above, the operating system is likely to be Microsoft Windows or Apple Macintosh. The choice of operating system will depend on your need for easy compatibility with other companies you may work with, and the kind of work you will be using the computer for. Ask the vendor to also pre-install e-mail and Internet access software. Some vendors will even arrange an Internet service account for you, but make sure that you are in a position to change this later if you are not happy with service and pricing.



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Important note about software licenses

With any software that you buy, it is vital that you ensure that you are obtaining a legal copy that you are licensed to install and use. Otherwise, you are likely to be in breach of copyright and could face substantial penalties. You also need to have a legal copy so that you can confidently obtain on-going support from the software company.

You should ensure that your computer vendor supplies you with original computer disks for the software you buy, even if it comes pre-installed on your computer. These disks will generally come with a printed software license, and should show original branding for the product on packaging and labels. In most cases, you could also expect to be provided with an original copy of the manual for the software, though some software now relies on 'manuals' provided as electronic documents on a CD-ROM.

If you plan to install the software on several different computers, you will need to purchase a 'site license' for the number of your staff who will be using the software at the same time. Such a license is generally considerably cheaper than buying each staff member an individual copy. Don't be tempted to buy one copy and just copy it on to every computer you own. This is considered to be a breach of copyright.

Checklist of typical software requirements

Not all businesses will need all of this software. Assess what your needs are and ask for recommendations from your computer vendor. It should be possible for the vendor to demonstrate the software in operation before you buy it:

- Operating System: *Essential. Should come pre-installed.*
- Internet browser and e-mail software: *Highly recommended. Should come pre-installed.*
- Accounting Software: *Highly recommended for a small to medium business. Handles all standard bookkeeping tasks, GST and may also allow automated printing of cheques.*
- Personal Organiser Software: *Provides an electronic calendar or appointments book, list of contacts, 'To Do List', etc. May incorporate e-mail software.*
- Word Processing: *Lets you write letters, faxes, reports, and other text-based documents.*
- Spreadsheet: *Lets you carry out repetitive calculations, build charts and graphs. Probably not ideal for purely book-keeping needs.*
- Database Manager: *Very useful for keeping structured records such as customer data, lists of products or parts, etc.*
- Presentation Software: *Useful for slide show presentations when training or speaking.*
- Project Management: *Lets you manage complex projects with many resources, with visual display of deadlines and task dependencies.*
- Graphics Software: *Lets you design images or edit and enhance photographs.*
- Desktop Publishing: *Lets you design and print brochures, newsletters, letterhead, etc.*
- Flowchart / Drawing Software: *Specialised use, but can be used to design organisation charts, information sheets, office layouts, etc.*



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Renting or leasing a computer

In the rest of this document, we talk about buying a computer. But another alternative you should consider is renting or leasing a computer. Most of the computer vendors will arrange a plan for paying for your computer on a monthly basis, usually with a three-year minimum period.

The advantages are that rental or lease payments are usually entirely tax deductible as a business expense, and that after the minimum period you can easily upgrade to a more up-to-date computer.

Other than this, all of the considerations in this document about buying a computer would apply to renting or leasing.

Further information

The following fact sheet provides further information on these issues:

- Benefits of e-commerce

