CHAPTER 3: OFFICE EQUIPMENT AND FURNITURE

What is office equipment? office furniture? and office supplies?

Individuals responsible for selecting office equipment and furniture devote considerable attention to the process.

1. Equipment and furniture represent a significant investment for the organization

2. A greater number of equipment and furniture sources now exists than ever before, thus providing a far greater number of options

3. The specialized nature of much of the equipment and furniture requires considerable care in the selection process

4. The increased need for employees to be as productive as possible.
I. OFFICE EQUIPMENT

Often a time-consuming process, the selection of office equipment is especially involved

Planning Consideration

A. Equipment Consideration

1. Purpose of the equipment
2. Determination of appropriate equipment
3. Dependability of equipment
4. Specification of the equipment
5. Cost of the equipment
6. Operational processes of the equipment
7. Safety features: if sometime it is not running well
8. Flexibility of equipment: can be upgrade in the future
9. Ease of equipment operation: easy using, easy to train
10. Speed of equipment operation
11. Cost of equipment operation
12. Equipment operator input: who operate this equipment can decide
13. Standardization of equipment

**B. Vendor Consideration**

1. Reputation of the equipment vendor
2. Training provided by the manufacturer or equipment vendor
3. Purchasing option
4. Delivery of the new equipment
C. Maintain Consideration

1. Servicing the equipment
2. Equipment maintenance

1. **Use of Comparative Analysis Form:** When several brands of equipment are being considered, the equipment has to be compared on a systematic, objective basis.
## Comparative Analysis Form

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<tr>
<th>Name of Manufacturer</th>
<th>Model No</th>
<th>Pitch</th>
<th>Price</th>
<th>Character</th>
<th>Text memory</th>
<th>Memory protection</th>
<th>Visual display size</th>
<th>Automatic error correction</th>
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</table>
2. Obtaining Office Equipment: Basically, organizations have two alternatives for obtaining office equipment leasing and purchasing.

1. Leasing (hire) options

- True leases: also known as a tax, operating, or fair market value lease. Can be obtained for short term or long term.
- Lease with option to purchase: Also known as a capital lease, conditional sale lease or buyout lease. At the end of lease, lessee has option of purchasing equipment.
- Sale-leaseback: An arrangement in which the organization purchases the equipment, sells it to the lessor, who then provides the organization with a long-term lease.
a. Advantages of leasing office equipment

- Leasing conserves working capital that may be needed for other purposes.
- The organization is able to obtain up-to-date equipment.
- Lease payments are tax deductibles.
- Leasing equipment enables an organization to use its financial resources more efficiently.

b. Disadvantages of leasing office equipment

- Leased is frequently more costly than purchased equipment.
- The lease may stipulate that the lessee is responsible for equipment maintenance and repairs.
- Most leases stipulate that the lessee keep detailed records on the leased equipment.
• If the lease gives the lessee an opportunity to purchase the equipment, the lease payments are not tax deductible. Only payments made on true lease are deductible.

2. **Purchasing Considerations.** Many organizations prefer to purchase their office equipment because it is considered an asset, and it can be used in whatever manner the organization wishes.

**Making the Decision.** The various factors that should considered when deciding whether to lease or to purchase office equipment are the following

1. How rapidly are new technological developments occurring in the type of equipment being considered?
2. What is the purchase cost of the equipment?
3. What leasing arrangements are equipment vendors willing to provide?
4. What special provisions become available when leasing equipment?
5. How stable are the various work processes for which the equipment is needed?
6. What is the cost per unit of work when leasing equipment and when purchasing equipment?
7. What are the results of break-even analysis?
8. What is the length of the payback period?

3. Equipment Maintenance Considerations

Equipment maintenance is typically provided by one or more of the following three methods: service contract, service provided by call basis, or in-house service (internal service dept).
Factors to consider when deciding which of the above three methods

| 1. Cost and provisions of service contract. | 5. Number of different brands of office equipment owned by the organization. |
| 2. Frequency of equipment repair.         | 6. Type of equipment to be maintained. |
| 3. Impact of preventive maintenance on increasing the life of equipment. | 7. Cost of paperwork associated with equipment maintenance. |
| 4. Availability of and expense incurred in employing trained service personnel. | 8. Speed with which the equipment must be repaired. |
4. Replacement Considerations

The Administrative Office Manager also has to be concerned about equipment replacement.

- The useful life of office equipment
- Changes in technology or work processes may make the present equipment inefficient
- Some part of equipment requires frequent repair

5. Inventory Control Consideration

Inventory control involves keeping detailed records on each piece of equipment, including such information as:

1. Serial number
2. Date of purchasing, leasing or renting the equipment
3. Cost of equipment
4. Life of the equipment
5. Yearly depreciation of the equipment
6. Book value of the equipment
7. Location of each piece of equipment
8. Inventory control number assigned to each device
9. Costs involved in servicing the equipment.

Please keeping the inventory control records updated is critical (significant)
II. Office Furniture

Several factors guide the selection of office furniture. The impact of these factors should be thoroughly (carefully) assessed before the furniture is selected.

1. Intended /projected use of the furniture
2. Appropriateness of furniture in relation to décor of office
3. Suitability of furniture for its users
4. Versatility/usefulness of furniture
5. Durability of furniture
6. Hierarchical level of furniture user
7. Size of furniture in relation to room or area size
8. Fire-retardant/resistant value of furniture
A. New Developments in Office Furniture

Systems furniture possesses the following characteristics: modular design, portable design, functional design, and ergonomics design.

1. **Modular Design**: is design to facilitate the use of different components and variations in the way the components are arranged. A modular unit may consist of such components as a desk or working space, storage space, file space, and shelf space.

2. **Portable Design**: The increasing use of open space planning in office layout has increased the need for portable office furniture. One of the characteristics of open space planning is the ease with which office areas can be arranged.
3. **Functional Design**: Basing the design of office furniture on individual needs results in functional design. Much of the new office furniture has resulted from an analysis of work processes and employees’ effort in the performance of their jobs.

4. **Ergonomics Design**: Ergonomics is the scientific study of the relationship between employees and their physical environment. An ergonomics designed chair is adjustable to accommodations in the size and shapes of human bodies.