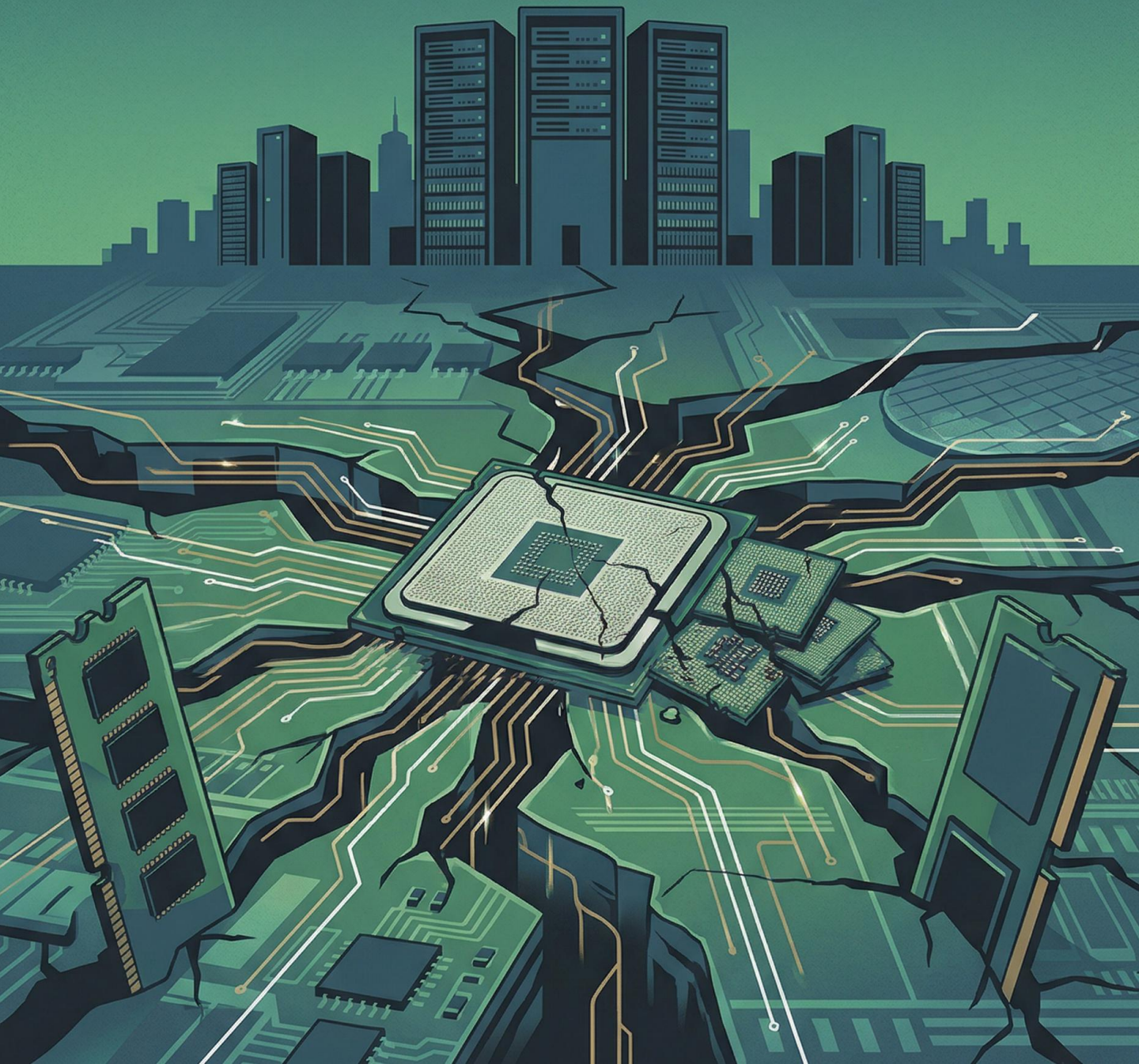


# THE HARDWARE CRISIS IS **HERE**

How it's changing the rules and how successful organizations are responding



# The Hardware Crisis Is Here and It's Changing the Rules

Six months ago, buying enterprise hardware was predictable.

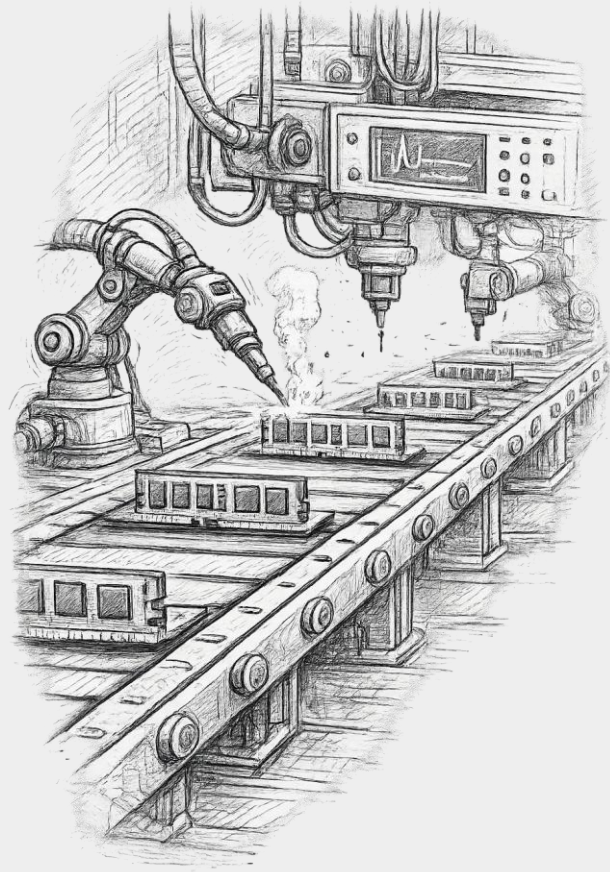
Quotes were valid for 30 days. Prices were relatively stable. Deals could move through approvals without much risk.

That is no longer the case.

We are now operating in a different market.

Availability is tight, pricing is volatile, and timelines are compressed. Demand for AI

data centers is consuming a large share of global supply for memory, storage, and other critical components, and it is reshaping how manufacturers allocate production. This is not a short-term disruption. It is a structural shift, and we need to adjust how we operate.



## What Is Driving This?

AI infrastructure is pulling forward massive demand for high-performance components. Manufacturers are prioritizing these segments because they carry higher margins and long-term commitments.

At the same time, new production capacity takes years to build. Supply cannot quickly catch up to demand. The result is a market defined by:

- Rapid price movement
- Inconsistent availability
- Shorter quote validity windows
- Longer and less predictable lead times

Most forecasts suggest these conditions will persist for several years, with meaningful relief not expected until closer to 2028.

## What This Means in Practice

The biggest change is speed.

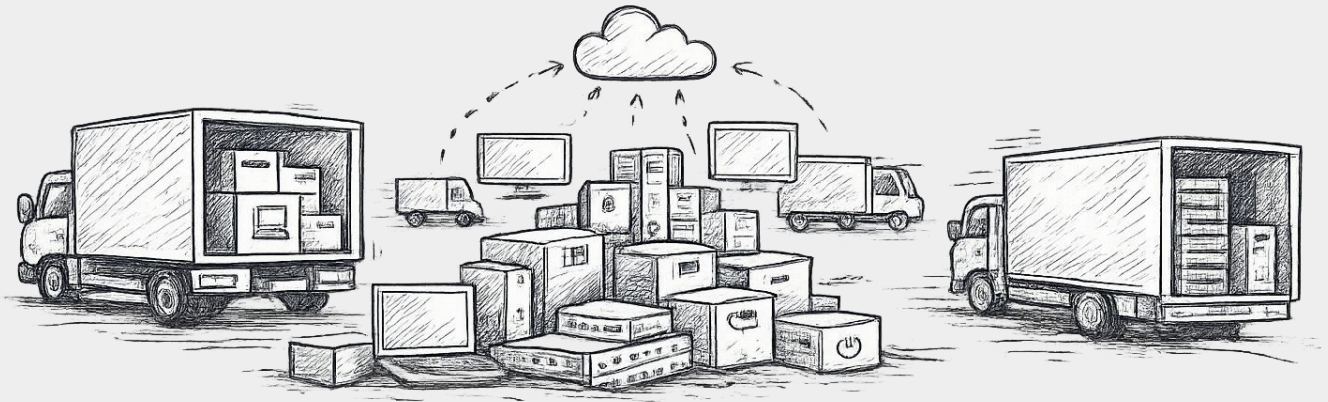
At Universal Systems, standard quote validity is now one week, and in some cases manufacturers are quoting on cycles as short as a few hours. Quotes are tied to real-time availability, not projected supply. Waiting is no longer neutral. It creates risk.

When decisions are delayed, pricing often increases, inventory may no longer be available, and the process resets under new constraints. Speed is now directly tied to both cost and outcomes.

## A Common Mistake to Avoid

As prices rise, it is natural to look for lower-cost alternatives. One common reaction is to shift from enterprise hardware to consumer-grade equipment. In most cases, this creates more problems than it solves. These devices are not built for sustained business use, tend to have shorter lifespans, and often introduce higher support costs and downtime. Warranty coverage is also typically more limited.

A better approach is to stay with the right class of hardware and adjust lifecycle expectations. Where replacement cycles were previously three to five years, it may now make sense to plan for four to six years with the right configuration and support.



## Increased Risk in the Market

We are also seeing a rise in questionable sourcing. Discounted hardware from unverified sellers can introduce gray-market components, invalid warranties, or unclear supply chains. Even when these offers appear on well-known platforms, they require careful scrutiny. A short-term savings can quickly become a larger loss.

## What Strong Organizations Are Doing

The companies navigating this well are not reacting at the last minute. They are planning earlier, aligning internally, and adjusting how decisions get made. They are:

1. Educating stakeholders on current market conditions
2. Budgeting and planning further in advance
3. Aligning approval processes with shorter decision windows

This is as much an operational shift as it is a market shift. Let's look at how Universal

Systems is working together with a few of our customer to put these principals into practice.



### Case Study 1: Inventory Planning & On-Demand Deployment

#### The Challenge

A growing organization needed a reliable way to support ongoing device demand without delays or last-minute procurement risk. Traditional ordering cycles created uncertainty around availability and slowed down deployment when new devices were needed.

#### Solution

Universal Systems worked with the customer to define minimum and maximum inventory thresholds and establish a standing stockpile of pre-purchased devices. Inventory is monitored continuously, and when levels reach the defined minimum, pre-authorized orders are automatically placed to replenish back to the maximum. Devices are stored and managed by Universal Systems and shipped on demand as needs arise.

#### Outcome

The organization now operates with consistent device availability and faster deployment timelines, eliminating procurement delays and reducing operational friction. By planning ahead and maintaining inventory, they have created a more predictable and scalable approach to device management.

## Case Study 2: Forward Purchasing to Lock in Pricing

### The Challenge

Facing a volatile hardware market with rising prices and uncertain availability, the organization needed a way to protect their budget and ensure access to the equipment required to support planned growth.

### Solution

Universal Systems partnered with the customer to forecast their annual device needs and place orders in advance, securing pricing and availability ahead of further market shifts. Equipment was configured and prepared upfront, then held in inventory and deployed on a structured schedule throughout the year based on operational needs.



### Outcome

By committing early, the organization avoided price increases and secured significant cost savings compared to current market conditions. They also gained greater control over deployment timing and reduced the risk associated with fluctuating supply, enabling more confident planning and execution.

### **What's Next?**

Technology decisions are no longer isolated purchases; they are ongoing investments that shape how your organization operates and grows. As systems become more complex and expectations continue to rise, the advantage shifts to organizations that take a more intentional, integrated approach. Universal Systems helps bridge that gap by bringing together strategy, infrastructure, devices, and ongoing support into one cohesive model. If you are evaluating your current environment or planning what comes next, let's build your technology roadmap together.



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