Automation in 2026 is not just evolving; it is accelerating at a pace that challenges most businesses to keep up with traditional capital budgets. At MODEX this year, you will witness firsthand how AI-native automation, robotics, and warehouse orchestration tools are transforming operations. Innovations like generative AI co-pilots and predictive analytics are becoming central to automation strategies, but the real story lies in the data.

Automation Is Scaling Faster Than Ever

- Nearly 4.7 million warehouse robots are installed in over 50,000 warehouses globally as of 2026.
- Warehouse automation achieves a 25–30% reduction in labor costs, 300% faster order fulfillment, and approximately 99% accuracy.
- The global warehouse automation market has reached $30 billion and is projected to nearly double by 2030. A
- Almost two-thirds of companies planned to increase their automation spending as 2026 approached, indicating strong long-term confidence.

In this environment of rapid innovation, rising expectations, and intensifying competitive pressure, more companies are opting for leasing.

Why Leasing Is the Smartest Way to Finance Automation in 2026

Stay Ahead of Rapid Innovation: With AI-driven systems evolving monthly, rather than yearly, leasing allows you to stay ahead of technology without locking yourself into quickly outdated systems.

Preserve Cash While Automating Aggressively: Automation requires significant capital investment. Leasing enables you to smooth your cash flow, allowing reinvestment in hiring, inventory, expansion, or logistics resilience, key focus areas at MODEX 2026.

Bundle Everything into One Payment: Today’s automation encompasses:

- Robotics
- AI and analytics
- WMS/WES/TMS orchestration
- Software updates
- Integration and support

Leasing allows you to finance hardware, software, and services as a single, unified operational expense.

Support Phased Automation Strategies: Currently, only 10% of warehouses employ advanced automation, but 31% plan to be fully automated by 2028. Leasing enables phased expansion without financial friction.

Accelerate Deployment: MODEX will feature over 1,000 technology providers and demonstrations that illustrate the rapid advancement of automation. Flexible financing helps you move from “demo to done” more quickly.

Bottom Line: Automation is becoming smarter, faster, and increasingly essential for competitiveness. Financing needs to keep pace with these advancements.

Leasing offers companies the agility to adopt cutting-edge automation, frequently upgrade their systems, preserve cash, and scale on demand, all while staying ahead of accelerating technology cycles.

If you are planning automation investments in 2026, leasing may be the most strategic move you can make. Contact us today to discuss a customized financing plan that will advance your automation roadmap for 2026 and beyond.

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In Conversation with

FRANK SOMMERS

*Vice President, Technology Leasing, **First Financial Equipment Leasing***

***** Click to read article on techronicler.com *****

Frank Sommers, Vice President, Technology Leasing, at First Financial Equipment Leasing, brings 30 years of experience in the IT leasing industry, advising global enterprise organizations on how to modernize their infrastructure while preserving capital and accelerating technology adoption. A former collegiate soccer player at Cal Poly San Luis Obispo, Frank brings a strong sense of competitiveness and teamwork to every client relationship.

As AI adoption moves quickly across industries, large enterprises are facing significant financial hurdles, with full-scale AI data center investments ranging from $150 to $500 million. Frank joins us today to explain how organizations can overcome these barriers. He discusses how IT leasing acts as a “budget multiplier,” allowing companies to bypass the massive upfront costs of high-performance compute infrastructure and avoid the trap of rapidly depreciating technology.

Techronicler: AI adoption is moving quickly across industries. What challenges are large enterprises facing as they try to modernize their technology stack?

Frank Sommers:

Large enterprises face several significant challenges when modernizing for AI. First, the core infrastructure is expensive and highly concentrated, particularly GPUs which are essential for processing AI workloads. For a full-scale AI deployment, organizations may need to invest hundreds of thousands to millions per GPU cluster, resulting in total data center investments ranging from $150 to $500 million.

The financial hurdle is especially steep for mid-tier enterprises. Many lack the balance sheet strength to secure traditional credit for these large expenditures. As a result, they often turn to private equity or high-interest lenders, or in some cases are forced to pay cash up front. Even when organizations can afford these purchases, many IT leaders are frustrated in trying to keep pace with AI evolution as the technology can become obsolete before it’s fully deployed.

Techronicler: How does leasing help organizations adopt AI faster than traditional purchasing?

Frank Sommers:

Leasing offers two major advantages that can ease and accelerate AI adoption:

Minimizing upfront costs: Traditional purchasing requires a large cash outlay, which often forces organizations to scale back roll outs even when they need more capacity. Leasing eliminates this barrier by converting a massive one-time upfront expense into manageable monthly payments, freeing up budget for additional needs. For example, instead of spending $50 million upfront, a company could lease the same equipment for a predictable monthly expense, enabling more projects to move forward simultaneously.

Enhancing flexibility and reducing financial risk: When organizations purchase technology, it goes on their balance sheet and depreciates over a set period. If the business needs to change or upgrade the technology before full depreciation, it can result in significant book losses. Alternatively, leasing categorizes the equipment as an operating expense, keeping it off the balance sheet and allowing companies to get in and out of technology quickly without the burden of depreciation or potential financial loss.

Ability to bundle software, security and maintenance: Leasing allows organizations to address AI requirements that go beyond infrastructure — by bundling associated software, maintenance, and security costs into a single package.

Based on these advantages, leasing allows organizations to adopt AI faster by lowering financial barriers, maintaining flexibility, and mitigating risks associated with asset ownership.

Techronicler: What kinds of AI-related technologies are organizations leasing right now?

Frank Sommers:

The largest category we’re seeing is high-performance compute infrastructure, particularly GPU-based servers designed to handle AI and machine learning workloads. Unlike traditional CPU-based servers, GPUs are optimized for the intense processing demands of AI model training and inference.

Beyond compute, organizations are leasing the full AI technology stack, including: Networking equipment to support high-speed data transfer; enterprise storage systems, often integrated directly into the server environment; data center infrastructure, including fully configured “rack and roll” solutions; security components such as firewalls; and AI-specific and enterprise software that runs on top of the hardware.

Techronicler: Many executives worry about the pace of technology obsolescence. How does leasing address that concern?

Frank Sommers:

Leasing gives organizations flexibility and helps them stay proactive in managing technology lifecycles. Instead of committing to five years of ownership, a three- or four-year lease encourages regular review of what's in use. At the end of the term, companies can decide to extend the lease, buy out the equipment, or return it and upgrade to newer technology.

This approach prevents the "set it and forget it" mindset that often happens with technology ownership, where equipment ages silently until a critical failure or performance gap forces costly, reactive decisions. In the AI and data center space, this can easily triple costs. Leasing ensures companies remain agile, continuously optimizing their infrastructure and aligning with the latest technology advancements without over-investing or falling behind.

Techronicler: Security and compliance are top-of-mind with any technology deployment. How does a leasing approach support these areas?

Frank Sommers:

Leasing allows organizations to bundle all associated software, maintenance, and security costs into a single package. This includes embedded software, add-on applications, and ongoing maintenance contracts.

Hardware and infrastructure is treated with a residual value, typically 10–15% below its purchase cost, spread over the lease term.

All "soft costs" such as software licenses, maintenance and other services are included in the lease payments and automatically expire at the end of the term, since software licenses can't be resold.

Clients only assume responsibility for the hardware at lease end, simplifying compliance and ensuring that security-related updates, patches and licenses remain current throughout the lease.

By bundling hardware and software this way, IT leaders can reduce administrative overhead, ensure compliance with licensing requirements, and keeps security measures up to date – side stepping the risk of aging, insecure and unsupported systems.

Techronicler: What advice would you give to enterprise leaders planning large-scale AI adoption in 2026 and beyond?

Frank Sommers:

AI technologies are evolving rapidly, and no one can predict what the landscape will look like in three years. Leasing infrastructure allows organizations to adapt, upgrade, or pivot as business needs change. Owning large amounts of rapidly depreciating technology can leave companies stuck with outdated assets that no longer align with their strategy.

Leaders must also account for the full lifecycle cost of AI infrastructure. Equipment refresh, secure data wiping, asset disposition, and compliance requirements all carry operational and financial burdens. When organizations own the equipment outright, those responsibilities and costs fall entirely on them, and they can be significant.

The most important priority for IT leaders right now is developing a strategy that enables AI adoption with the least possible upfront cost, and which offers maximum flexibility. AI initiatives can be capital intensive, and if organizations commit the bulk of their budget to a single large purchase, they risk not having the funding for other critical projects.

Instead of paying cash and quickly exhausting a $10 or $50 million IT budget, leaders should think of IT leasing as a budget multiplier. For example, rather than spending $10 million upfront, that same capital can be allocated toward predictable monthly lease payments. By doing so, organizations can realize greater total project value while preserving liquidity and maintaining momentum across the broader IT roadmap.

"Instead of paying cash and quickly exhausting a $10 or $50 million IT budget, leaders should think of IT leasing as a budget multiplier."

That powerful advice from Frank Sommers fundamentally shifts how we should think about enterprise AI strategy. As we discussed, the operational and financial burdens of equipment refresh, secure data wiping, and asset disposition can be significant when organizations own their equipment outright. By treating AI as an operating expense, IT leaders can maintain the flexibility to adapt and upgrade as business needs change.

A huge thank you to Frank for sharing his deep expertise in IT lifecycle management and enterprise procurement. For IT leaders planning large-scale AI adoption in 2026 and beyond, prioritizing maximum flexibility and the lowest possible upfront costs is clearly the winning playbook.

Frank Sommers brings 30 years of experience in the IT leasing industry, working closely with global enterprise organizations to help them modernize infrastructure while preserving capital and accelerating technology adoption. Known for consistently exceeding sales targets, Frank has also developed and led numerous successful vendor financing programs in partnership with major resellers, creating flexible acquisition models that support complex IT environments. His deep expertise in IT lifecycle management, financing strategies, and enterprise procurement has made him a trusted advisor across the industry. A former collegiate soccer player at Cal Poly San Luis Obispo, Frank brings the same competitiveness and teamwork to every client relationship.Hello, world

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AI spending is accelerating at a pace most enterprise budgets simply can’t match. While IT leaders are under pressure to deliver transformative AI capabilities, their capital budgets aren’t growing at the same rate as these AI ambitions. This mismatch is forcing difficult trade-offs: delayed projects, stretching aging infrastructure beyond its intended lifecycle, and diverting funding from other critical initiatives.

But there is another option. Increasingly, IT leaders are turning to technology leasing as a savvy strategy to help expedite AI adoption without sacrificing operational agility or financial liquidity.

AI: Thinking Through the Dollars and Sense

From my vantage point, working closely with IT leaders across industries, I hear the lament. AI infrastructure is expensive and highly concentrated, particularly GPU-based compute power. A single GPU cluster designed to support large-scale AI workloads can cost hundreds of thousands to millions. For enterprise-wide deployments, total data center investments can easily reach $150 million and as much as $500 million.

For mid-tier enterprises, challenges are even greater, as many lack the balance-sheet strength to secure traditional credit for such large capital expenditures. Some resort to private equity or high-interest lenders. But even those who can afford to purchase the infrastructure outright are frustrated by the pace of AI innovation; and the risk of technology becoming quickly outdated or obsolete.

For determined IT leaders, the question is not whether to invest in AI infrastructure, but how to fund it without compromising the broader IT roadmap. This is where the financing strategy becomes just as important as the technology strategy.

IT leasing eases these pressures in several critical ways:

- **Minimizing upfront costs.** Traditional purchasing requires a massive outlay of capital, sometimes forcing companies to scale back or winnow down the scope of projects despite urgent demand. Leasing converts that one-time expense into predictable monthly payments. Instead of committing $50 million upfront, an organization can structure payments over time, freeing capital for additional initiatives and allowing multiple AI projects to move forward simultaneously.
- **Enhancing flexibility and reducing financial risk.** Purchased technology sits on the balance sheet and depreciates over a fixed period. If business needs shift or the organization upgrades early, it can trigger book losses. Leasing — when structured properly — can classify equipment as an operating expense, keeping it off the balance sheet and enabling companies to pivot more easily without the burden of carrying these assets.

Lease the Entire AI Stack, Not Just the Hardware

IT leaders recognize today’s AI deployments extend far beyond servers. Enterprises are leasing high-performance GPU servers optimized for AI model training and inference, along with high-speed networking equipment, enterprise storage systems, integrated “rack and roll” data center solutions, firewalls, and AI-specific software.

Maintenance contracts, security tools, and embedded applications can all be incorporated into a single lease structure.

This bundling delivers administrative and compliance benefits. Hardware typically carries a residual value often 10–15% below purchase cost, amortized across the lease term. Software licenses and other “soft costs” are included in payments and expire at term end, eliminating resale complications. Clients are responsible only for the hardware at lease completion, simplifying compliance and ensuring security updates, patches, and licenses remain current throughout the lifecycle.

Combat Obsolescence Before It Becomes a Liability

One of the most common concerns I hear from executives is technology obsolescence. And given the pace of AI, where innovation cycles are measured in months, not years, that concern is justified.

Leasing naturally enforces a rigor and discipline for countering obsolescence. A three- or four-year term creates a defined decision point: extend, buy out or upgrade the technology. This prevents the “set it and forget it” ownership mindset that often leads to aging, unsupported systems and expensive, reactive refresh cycles. In AI environments, delaying upgrades can multiply total costs through inefficiencies and lost competitive advantage.

Leasing is a Budget Multiplier

Looking ahead to 2026 and beyond, IT leaders must think differently about capital allocation. No one can predict what the AI landscape will look like in three years. Owning large volumes of rapidly depreciating infrastructure can limit strategic agility.

Leaders must also factor in the full lifecycle cost of AI infrastructure, which includes equipment refreshes, secure data wiping, asset disposition, and regulatory compliance. These factors carry operational and financial burdens when assets are owned outright.

The most important priority today is building a strategy that enables AI adoption with minimal upfront cost and maximum flexibility. Leasing can act as a budget multiplier. Instead of exhausting capital on one large acquisition, organizations can deploy that same funding across predictable monthly payments, preserving liquidity while expanding total project capacity. In doing so, IT leaders maintain momentum across their complete technology roadmap, ensuring AI transformation doesn’t come at the expense of operational resilience.

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About the Author

Frank Sommers brings 30 years of experience in the IT leasing industry, working closely with global enterprise organizations to help them modernize infrastructure while preserving capital and accelerating technology adoption. Known for consistently exceeding sales targets, Frank has also developed and led numerous successful vendor financing programs in partnership with major resellers, creating flexible acquisition models that support complex IT environments. His deep expertise in IT lifecycle management, financing strategies, and enterprise procurement has made him a trusted advisor across the industry. A former collegiate soccer player at Cal Poly San Luis Obispo, Frank brings the same competitiveness and teamwork to every client relationship.

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2026 is here. Are you ready to compete? Technology moves fast, and companies that delay upgrades risk falling behind.

Lease Smarter. Innovate Faster: Why IT Leaders Are Choosing Leasing Over Buying in 2026

As we enter a new year, IT leaders face a crucial question: How can we harness the latest technologies while keeping budgets in check? In today's fast-paced environment, embracing digital transformation isn't just an option; it's a necessity for driving growth, boosting efficiency, and staying ahead of the competition. However, the hefty price tag of new technology can often weigh down cash flow and tie up precious working capital.

So, which route is better? Leasing.

Decoding the Market Dynamics

In 2026, global IT spending is projected to skyrocket to $5 trillion, fueled by the rapid adoption of cloud services, AI innovations, and enhanced cybersecurity measures. The speed of tech refresh cycles is also on the rise, with new gear potentially becoming outdated in just 24 to 36 months. Interestingly, over 60% of businesses are opting for leasing and financing solutions for their IT needs, primarily because of the flexibility and optimum cost control they provide.

Why Leasing Beats Buying – Every Time

1. Boost Your Cash Flow & Financial Freedom
Buying equipment often demands a significant upfront investment, which can stifle liquidity and constrain your growth strategies. Leasing, on the other hand, allows you to spread costs through predictable monthly payments, freeing up capital for expansion opportunities.

2. Stay Ahead of the Technology Curve
In a world where technology evolves at lightning speed, leasing provides your business with access to the latest tools without the financial burden of ownership. With built-in upgrade options at the end of the lease term, you can easily refresh your equipment and maintain your competitive edge.

3. Reap Tax & Accounting Perks
Lease payments typically qualify as operating expenses, simplifying accounting and making them fully deductible. While purchasing might offer depreciation benefits, these can be complicated and unpredictable.

4. Reduce Risk & Simplify Lifecycle Management
Many leasing agreements include maintenance and disposal services, substantially reducing your risk and administrative burden. In contrast, owning equipment means you assume full responsibility for maintenance and end-of-life disposal.

5. Align IT Costs with Business Growth
Leasing lets you align your expenses with usage and revenue cycles, allowing for agile responses to market shifts and scalable operations aligned with your growth trajectory.

What Types of IT Equipment Can Be Leased in 2026?

Leasing options today extend well beyond laptops and basic hardware. Modern IT leasing encompasses nearly every component of a digital enterprise, making it a valuable resource for CIOs, CFOs, and IT leaders. Below is a clear breakdown of the most commonly leased categories, based on market insights from 2025 to 2026.

1. Core Infrastructure Hardware
These equipment types form the backbone of corporate IT infrastructure, and all are widely available through leasing programs:

- Servers – Enterprise servers for hosting, virtualization, and compute-intensive workloads. Storage & Backup Systems (SAN, NAS) – Scalable storage arrays and secure backup appliances.
- Networking Hardware (Routers, Switches, Load Balancers) – Essential for high-performance networking and connectivity.
- Firewalls & Security Appliances – Enterprise-grade security infrastructure, including firewalls and intrusion prevention systems.
- Data Center Equipment. Racks, UPS systems, and other critical environment components.

2. End-User Computing Devices
Ideal for fast-growing teams, remote workforces, and flexible refresh cycles:

- Laptops & Desktops. One of the largest and fastest-growing leasing segments.
- Monitors, Keyboards, Peripherals. Often bundled with workstation leases.
- Printers & Scanners. Still essential in many business environments.
- Projectors & Conference Room Equipment. Supports hybrid workplace collaboration.

3. Specialized or Software-Integrated Equipment
Leasing extends into more specialized and cloud-connected tools:

- Point-of-Sale (POS) Systems – Retail and hospitality systems integrating hardware and software.
- Cybersecurity Systems – Appliances and software-driven tools are critical for enterprise security posture.
- Software Licensing / SaaS Bundles – Many leasing programs now include software licensing with hardware (e.g., OS, security suites).

4. Telecommunications & Unified Communications Equipment

- VoIP Phone Systems
- Unified Communications Platforms
- Conference Phones & Video Systems
- Call Center Hardware & Headsets

5. Cloud-Connected & Hybrid Infrastructure
As companies adopt hybrid IT:

- Cloud gateways
- Edge devices
- IoT hardware

Why This Matters for IT Leaders in 2026

The ability to lease a wide range of IT equipment offers several advantages for organizations:

- Stay agile amidst rapid technological changes.
- Reduce capital expenditure (CAPEX) pressure and preserve cash flow.
- Simplify refresh cycles and avoid asset obsolescence.
- Maintain a secure, modern, and scalable technology infrastructure.

All of this can be achieved without the commitment of long-term ownership or the burden of depreciation.

As we move through 2026, the ability to adapt quickly and efficiently in the use of financial resources will be crucial for success. Choosing to lease IT equipment is not just a cost-saving measure; it is a strategic decision that positions your business for future innovation while preserving essential capital. Embracing flexibility can drive growth and help you stay ahead, freeing you from the burdens of ownership.

At First Financial Equipment Leasing, we are dedicated to aligning our technology asset refresh programs with your evolving IT needs. Whether you are looking to expand your infrastructure, upgrade hardware, or implement new software, we are here to provide solutions tailored to your strategy and financial objectives.

Contact us today to explore how flexible IT leasing can empower your enterprise’s growth and success.Hello, world

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https://youtu.be/qZ0VtgfmHeM

We’re thrilled to announce our partnership with America In Motion to offer their customers 100% financing for AGV Mobile Robots. We handle all upfront costs, allowing customers to preserve their working capital. We take care of all upfront deposits and expenses from the initial concept to processing, delivery, and installation.

This can result in significant day-one savings and an immediate return on investment. If you’re seeking to conserve cash and bring predictability to expenses while advancing your automation projects, First Financial Equipment Leasing is ready to assist you.Hello, world

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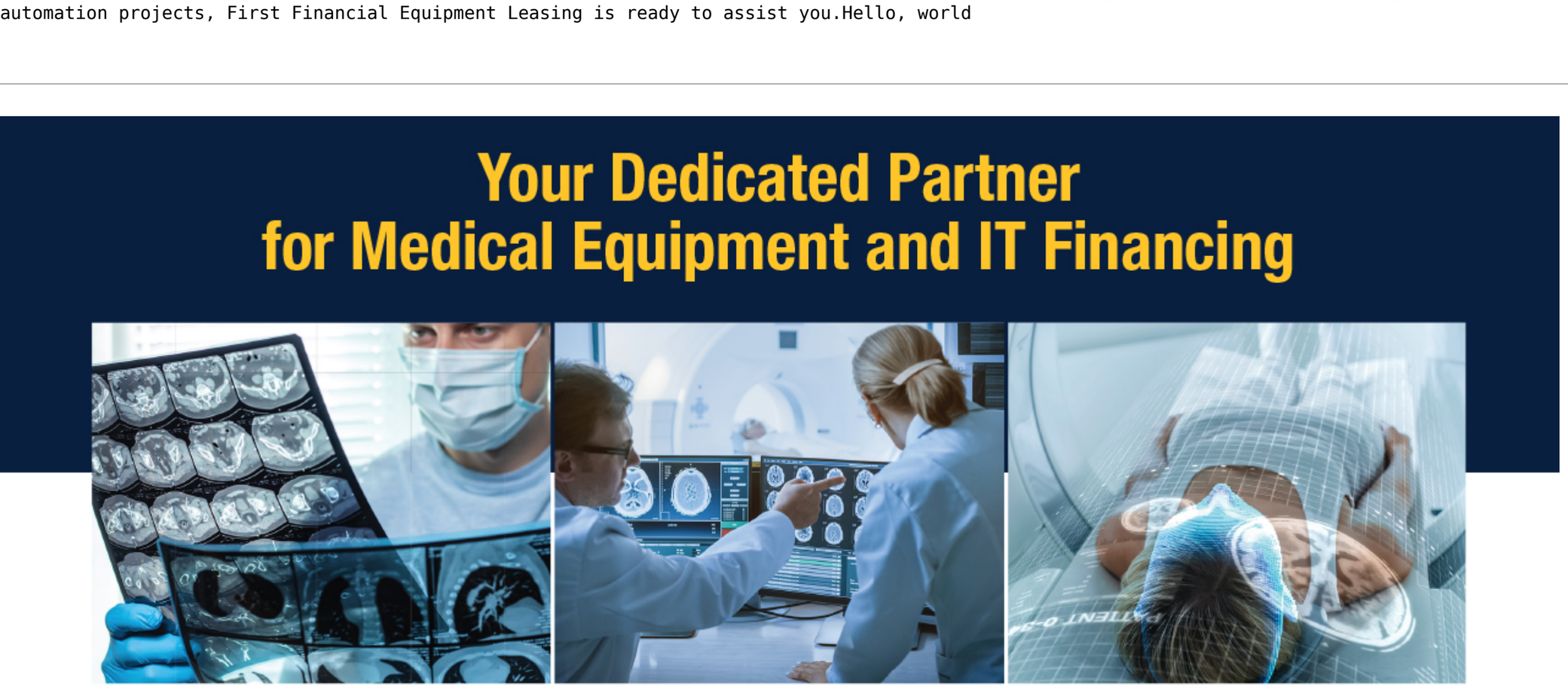

About First Financial

- We are a privately held lender with a strong specialization in acquiring healthcare, IT solutions, and services. Our adaptive process is designed to effectively meet the demands of the ever-evolving healthcare industry.
- For over 20 years, we have provided financing solutions designed to conserve capital and offer affordable access to often expensive yet increasingly critical, advanced technologies and equipment.
- Part of a global network and the JA Mitsui Leasing family of companies. JA Mitsui is a joint venture of Mitsui & Co. (2022 revenue $96B) and Norinchukin Bank (2022 assets totaling $1.05 Trillion).
- Well-equipped to finance projects from $100K to over $50MM.

Benefits of Financing with First Financial

- Leasing conserves capital and provides 100% financing with no down payment required.
- Easy access to cutting-edge medical technology with minimal upfront costs.
- Bundle equipment and services, maintenance, extended warranty, and insurance in one payment.
- Eliminates the expensive inconvenience of managing outdated equipment.

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