

USED & REFURBISHED EQUIPMENT SPOTLIGHT

Where Does Refurbished Equipment Come From?

End Users, Expired Leases & Asset Recovery Are All Sources Of High-Quality Used Equipment

by Julie Knudson

CONCERNS ABOUT THE ORIGINS and authenticity of used equipment continue to dissuade enterprises from giving the secondary market a serious look. Patrick Keuller, vice president of CentricsIT (www.centricsit.com), says that the message filtering down to IT groups is often, "buy new or you're going to get counterfeited junk."

Instead of shying away from the refurbished route, organizations should embrace the amount of high-quality used equipment currently available. "The market is in free flow right now," says Phil Bettenburg, president of North American Systems International (www.nasi.com). "This is probably the best it's been in a long time."

Knowing how refurbished equipment enters the secondary market may help alleviate potential buyers' concerns and save them some money at the same time. So where does all that equipment come from?

End users. Organizations end up with surplus equipment for a variety of reasons, ranging from data center upgrades to going out of business. Keuller sees a sizeable amount of quality equipment moving from existing data centers directly into the secondary market, and as a reseller, that's his team's preferred procurement method. "It's been under production and someone

has been using it," Keuller says. "They don't need it for whatever reason, and we buy it straight out of their location." The age of end-user equipment varies widely, but it's often in good condition and fine working order.

Equipment coming off lease. Data centers with leased equipment may swap out components—or entire production environments—when their lease periods are up. Once the equipment has been returned to the leasing company, a reseller is contacted to move the components to the secondary market. Post-lease equipment is typically one to three years old and is in very good condition. Items coming off an OEM lease may offer buyers some additional perks. "It comes with a guarantee that it's eligible to be put under contract at the next location," Bettenburg explains. "Most of the third-party or open-market resellers will do that. If it doesn't qualify under that contract, they'll take it back."

Manufacturer take-outs. When a data center chooses a new hardware vendor, it's not uncommon for the incoming provider to replace components that are manufactured by someone else. Equipment removed for this reason is usually in perfect working order, but it's no longer welcome in the new vendor's environment. Manufacturers also remove their own equipment as part of upgrades and other projects.

"[Manufacturers] come to us directly with opportunities to buy used equipment, whether it's their own equipment or from competing manufacturers," Keuller says.

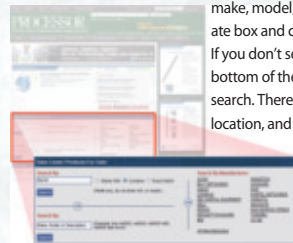
Asset recovery and disposal channels. When companies downsize or go out of business, it's common for banks, auction houses, and salvage companies to be involved in getting rid of equipment in the hope of recovering some cash. The

condition of the equipment depends on how long it's been sitting idle and where it's been stored, among other factors. Each company has its own method for preparing equipment for disposal. "Some sell it as-is, and some do a good job of cataloging everything for disposal," Bettenburg says. Reputable resellers will give each component a comprehensive check-up before offering it for sale. ■

Find Used & Refurbished Equipment For Sale

Once you've made the decision to purchase used or refurbished equipment, finding the equipment you need is easy with Processor's online Data Center Products For Sale Database.

From Processor's home page (www.processor.com), you can search for a specific part number, make, model, or description. Enter the information in the appropriate box and click Search. You'll see a list of available equipment. If you don't see the particular piece you're looking for, scroll to the bottom of the search results page to conduct a more detailed search. There, you can search by part number, model, price, location, and more.



Don't know the specific part number or model? Use the drill-down search on the Processor home page to view results from specific manufacturers. Simply click the manufacturer name, and you'll see a list of all equipment listings from that manufacturer.