

Used Equipment at Work By Joseph Marion

On February 11, 2005 Processor ran the cover story “Will Used Work For You” by David Garrett. Like many Processor readers, I found the article interesting. Yet unlike most, I have a unique insight into the “used equipment market” (we prefer to call it “secondary market”) which I get as a result of my position as President of the Association of Service and Computer Dealers, International. In case you don’t know, the ASCDI membership includes the largest secondary market dealers in the world.

In the article, Mr. Rosenzweig of 123 Compute is quoted as saying “with disdain” that “Anyone can sell computers. We have a reputation. If you are not careful, you could get stuck with a system that’s a lemon...” The implication of Mr. Rosenzweig’s statement is that it is difficult for one to find a reputable computer dealer. In fact, it is as difficult as going to www.ascdi.com.

The Missing Link

Mr. Rosenzweig is correct in stating that anyone can sell computers. But not every sells them the right way. The smart and careful way to buy secondary market equipment is to make sure that the secondary market dealer you purchase your computer hardware from is a member of the ASCDI. It’s that simple. (By the way, if you are purchasing secondary market telecommunications equipment, you will want to make sure that the company you buy your telecom gear from is a member of the North American Association of Telecommunications Dealers, www.natd.com.)

These are unique organizations that have adopted a self-policing policy which gives purchasers of secondary market hardware a place to turn to, if they are not satisfied with the transaction. And they take it seriously!

Members of both organizations have committed to abide by an Industry Standard Code of Ethics which has been in place for over 30 years. All members of the NATD and ASCDI must attend an ethics seminar prior to being admitted into their respective associations. In short, the ASCDI and NATD Code of Ethics requires that all members deal with customers in an

ethical fashion, stand behind the products they sell and promptly correct any problems their customers encounter.

Should a customer have a problem with equipment sold by a dealer who is a member of either organization, the member is required to repair the problem. And if the dealer refuses to do so, the buyer can file a complaint with the ASCDI. Should a member be found guilty, they can face serious sanctions from the associations including public censure, temporary suspension or permanent expulsion from the association. Expulsion from the ASCDI or NATD has serious financial implications to any company so censured. Both organizations will hear hundreds of complaints on an annual basis, most of which are resolved by the seller before any censure takes place. You can find more details on the Ethics Process as well as the forms to file a complaint on at the ASCDI and NATD Web sites.

The F.U.D. Factor

Later in the story, Brian Schwartz of CDW notes “a number of reasons to avoid used machines like the plague.” Not surprising coming from a company that just sells new hardware. He justifies his scare tactics by saying that purchasers of secondary market hardware may be faced with all types of problems including upgrades of the used equipment, purchasing of new software, security risks and potential viruses. Nothing could be farther from the truth.

Manufacturers and distributors have been using the F.U.D. Factor (fear, uncertainty and doubt) for years to try and scare customers away from buying secondary market equipment. The truth is that all good secondary market dealers fully refurbish the equipment they resell to end users. When end users buy equipment from a reputable secondary market dealer, disks are first cleaned off and the equipment is fully refurbished and brought up to the latest engineering levels and legal arrangements are made for end users to obtain the Operating Systems. Most manufacturers like IBM and SUN, for example will sell end users the latest operating systems for use on secondary market equipment at very reasonable rates.

A Problem with Sun, No Longer

Speaking of SUN, the article noted that the ASCDI had a problem with Sun Microsystem's Right to Use policy. The ASCDI HAD a problem with Sun's

policy, so in 2004 the ASCDI launched an awareness campaign to targeted at pressuring Sun to reverse its restrictive policies on the sale of software for use on secondary market equipment. Sun did, in fact, get the message and it changed its policy late 2004.

Real Life Experience

Recently I need to purchase a “slug” of memory for my servers. Time, not price was the driving factor in this deal as I need the memory as quickly as possible. Every new reseller I contact told me it was out of stock. I ended up buying it from a Secondary market dealer, at 50% of the cost. But the beauty of the deal was the service. The memory arrived on my desk less than 24 hours after I placed my order.

The quality of service that one gets when dealing with reputable secondary market dealers is as good (if not better) than the service one gets from buying new from a manufacturer or distributor.

And then there is price. The DLT tape drive I recently purchased was available on line NEW from several big resellers for several hundred dollars. The price seemed high to me considering that the tape drive had been on the market for years, so I decided to get a quote from the secondary market. I found several dealers who had the product in stock and were able to save me over 50% of the new cost.

When one buys technology equipment, new or use, they do need to shop carefully. But there really is no mystery or difficulty from buying secondary market equipment. And there is no risk if you do it wisely.