

THE SECONDARY MARKET- Welcome to My World

Joseph J. Marion

True or False? When buying or selling equipment to a “Secondary Market Dealer” or Computer Reseller which of the following statements are true:

- Buying on the Secondary Market is a risky way to buy equipment.
- Secondary Market Dealers deal in illegal gray market equipment.
- Buying new equipment from a Computer Reseller is more expensive than buying directly from the manufacturer.
- If I buy from equipment on the Secondary Market I will lose the manufacturer’s support
- The only place to get the latest new equipment is directly from the manufacturer
- If I buy my equipment from the Secondary Market, I have no place to turn if the deal goes bad.
- I can sell my computer and software to the Secondary Market. After all, I own it.

If you said yes to any of the above statements, I’m here to set you straight.

WELCOME TO MY WORLD

Welcome to my world- the world of the Secondary Market/Computer Reseller. My name is Joseph Marion and I have been involved in secondary market for over thirty years buying, selling leasing, maintaining and exporting equipment. I’ve sold new equipment, used equipment and gray market machines. Currently I serve as President of the Association of Service and Computer Dealers, International (“ASCDI”). The ASCDI is a non-profit trade organization of companies that buy, sell, and service a plethora of equipment including IBM, Sun, HP, CISCO and more.

Some computer dealers sell new equipment under authorization from manufacturers. We call them Computer Resellers. Some computer dealers only sell used equipment. We call them Secondary Market Dealers. And some do both. As a matter of fact there are over 4000 computer dealers worldwide. So how’s one to choose?

First decide if you are looking to buy new or used equipment. If you know that what you need is not available used, look for an authorized business partner for a manufacturer. Most manufacturers have set up links on their web sites to enable you to find their business partners. www.ascdi.com has a great search feature which lets you search for authorized business partners by geographic location. An authorized business partner

can usually sell you that new piece of hardware for a better price than you can buy it from than the manufacturer. And since they are authorized, there should be no problems with getting maintenance and software updates from the manufacturer.

If the equipment you are looking for is more than one year old, chances are you can save some money buy buying it from a Secondary Market Dealer. But SLOW DOWN. The last thing you want to do is jump on Internet do a Google Search and buy it from the first name that pops up. I hear it all the time: "I found that new piece of hardware from a dealer in cyberspace at 50% off of list. I sent my check, but I never received my equipment. When I tried to contact the seller, their phone was disconnected." Great deal, huh? Ok, so who can you trust?

Again, I encourage you to turn to www.ascdi.com. The dealers who belong to the Association of Service and Computer Dealers, International have agreed to abide by an Industry Standard Code of Ethics. The Code of Ethics requires that each ASCDI member follow through on any commitment made. If you deal with an ASCDI Member and feel that they have not honored their part of a transaction, you have the right to file a complaint with the Association. If the ASCDI Member is found in violation of the Code, they could be suspended or expelled from the ASCDI. Bottom line is that f you choose an ASCDI Member Company, you have an independent body to turn to in the unlikely event that the transaction doesn't go as planned. You can't get that any place else in the Secondary Market. And there is NO COST for this service.

Okay, so maybe it's not so hard to find a credible dealer. But what will the manufacturer "do to me" if I don't buy directly from them? And is it legal to use the software that comes with the equipment? Some manufacturers who actually "get it" have policies which enhance the value of used equipment by offering software and maintenance support. They understand that by supporting and enhancing the value of secondary market equipment they encourage users to buy their new products. Other manufacturers view their own used equipment as "the enemy" and they make it as difficult as possible to buy secondary market equipment. In my next column we will discuss the "long arm of the manufacturers" and how the impact they can have on the residual value of your hardware.