

The Ultimate Guide to

Refreshing Devices for IT Directors



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District IT directors and digital learning specialists are the unsung heroes of the COVID-19 pandemic. In a matter of days, you were asked to do the impossible: equip students with the digital learning devices they need for distance learning, and train teachers how to run a remote classroom.

As students begin returning to in-person instruction, many experts think learning has forever been changed by the pandemic. Digital learning, which has been adopted to some degree by most schools, will play a greater role in engaging and instructing students.

This places a renewed emphasis on deploying the best tools to foster a dynamic learning environment—whether that's in the classroom or at home.

This eBook is designed to introduce IT directors to a growing trend in ed tech: the sale of used district devices to a reputable buyback company in order to fuel sustainable digital learning programs.

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What is a technology sellback?

When you buy a brand new car, it's not unusual to drive it for a number of years before selling it and using the proceeds to defray the cost of your next new car purchase. This practice allows you to always drive a late-model, reliable car without paying full price out of pocket.

This is exactly how device sellbacks work.

Apple devices, such as iPad and MacBook, are still quite valuable after three years of use. Districts can sell these devices to a buyback company and use the proceeds to pay down the lease on their next fleet of devices.

There are other benefits to sellbacks, too, and we will cover those later in this eBook.



How a sellback works

Once your district decides it's time to refresh devices, a buyback company like Second Life Mac will review your inventory of digital learning devices and provide a quote to purchase them. We also can save you time by picking up devices and sorting them for you.



Pickup

Depending on the size of the fleet you are refreshing, the buyback company will either come on-site and securely pack and transport your devices, or they will send your district appropriate packing materials and then arrange for shipping.

Data Erasure

Devices are brought to a secure warehouse where they are audited, data is erased, and they are refurbished for resale.

Audit

During the audit, devices are graded based on their condition, and the results are shared with the district.

Payment

Then, a final payment is made.



Money is great, but there are other benefits, too

The fact that you can recoup value from your used devices is a great reason to sell them back, but there are even more reasons why this makes sense.

As schools move to one-to-one technology environments, leveraging the remaining value in devices can help pay for more devices. A large district in California found 2,500 outdated devices that were no longer being used. When sold to Second Life Mac, those devices netted the district \$43,000, the cost of 145 new iPad.

Selling back devices allows districts to keep their fleets current and compatible with the latest educational apps. This reduces the resources needed to troubleshoot and repair devices, and frees up school IT departments to collaborate with teachers and staff on new and effective ways to use technology.

Selling back devices also reduces e-waste, a growing problem. Apple's hardware ecosystem exceeded 1.65 billion devices at the end of 2020. Eventually, all those devices will no longer be in use. School districts can play a large role in reducing e-waste by selling back devices for resale.

Finally—and most importantly—selling back devices enables school districts to purchase better devices at a lower total cost of ownership, and achieve sustainable digital learning programs.

Why total cost of ownership matters

As stewards of taxpayer dollars, districts are pressured to make smart investments when it comes to technology. Unfortunately, some districts equate “smart investment” with “cheapest.”

While a lower upfront cost may be enticing, the practice of purchasing high quality equipment that holds its value, and then reselling those devices at the end of their lifecycles, can provide districts with a lower total cost of ownership.

Let’s look at a Chromebook vs. iPad. At first glance Chromebook appear to cost less. Despite iPad’s reputation as a superior ed-tech device, districts that purchase based on price alone often select Chromebook.

A total cost of ownership evaluation tells a different story:

iPad	\$294 (10 pack pricing)
Case	\$35
MDM	\$25
Total Cost:	\$354
Buy Back after 3 yrs.	\$97
Total Cost of Ownership:	\$257
Chromebook	\$300
Case	\$35
MDM	\$25
Total Cost:	\$360
Buy Back after 3 yrs.	\$25
Total Cost of Ownership:	\$335

By following total cost of ownership principles, districts can purchase the best ed tech tools and feel good that they’re spending district dollars wisely.

Selling used devices leads to sustainable digital learning programs

Getting into a cycle of regularly refreshing devices—and selling back the old ones—enables districts to adopt sustainable technology budgeting practices.

Instead of thinking about technology purchases as a capital expense that must be funded every three years, districts instead look at technology as an operational expense, like other essential utilities, such as electricity.

In order to have predictable costs for ed tech devices, districts can lease devices over a three or four year period. Most leases today have low interest rates, and allow districts to “purchase” the equipment at the end of the lease for \$1. Districts then can sell back the used devices and use the payout to buy down the next lease, or expand the number of devices leased.

Not every ed tech device delivers the same learning experience. Consider factors such as:

Apple

- 500,000+ education apps
- 1000s of creativity apps, such as iMovie, Autodesk, and Adobe Creative Suite
- Google Apps optimized for iPad
- Desktop-class web browser
- Offline capabilities, such as AirDrop
- Better student engagement
- More intuitive for students
- Front and rear-facing cameras for multimedia projects
- Built-in accessibility features
- Low rate of damage
- Fast, easy and reliable

Chromebook

- Limited number of native apps
- Limited touchscreen optimized capabilities
- Offline capabilities are limited
- Higher damage rates

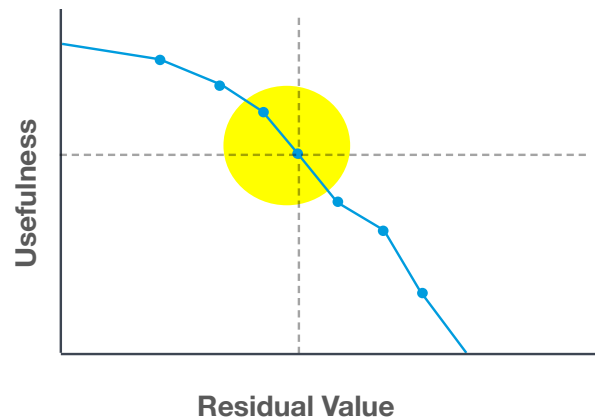
How often should schools refresh devices?

For sustainable budgeting to work, it's important for districts to adopt a regular cadence for refreshing devices.

The key is to refresh devices at the point where they are beginning to lose teaching effectiveness, yet residual value is still high. Consider trading in devices when:

- Devices lose compatibility with the current operating system and third-party apps
- The overall condition of devices is degrading
- AppleCare+ accidental repair coverage is ending

For iPad, this typically is around year three. For MacBook, this is around year four.



Refresh or Repurpose?

In an attempt to save money, it's a common practice for districts to refresh some devices, and then repurpose the old devices for younger grades. This quickly can become disruptive to students and teachers.

Having students using various operating systems creates inequities because not every device can access the same tools and apps.

In addition, older devices tend to break down more often, creating stress on school repair resources.

Time refreshes when demand is high

Now that you know the best cadence for your device refresh, the question is does refresh timing matter. The answer: absolutely.

Most districts refresh devices during the summer. This allows IT staff to collect devices from students at the end of the school year and prepare the next fleet for distribution in the fall.

But when it comes to selling back devices, summer is a bummer.

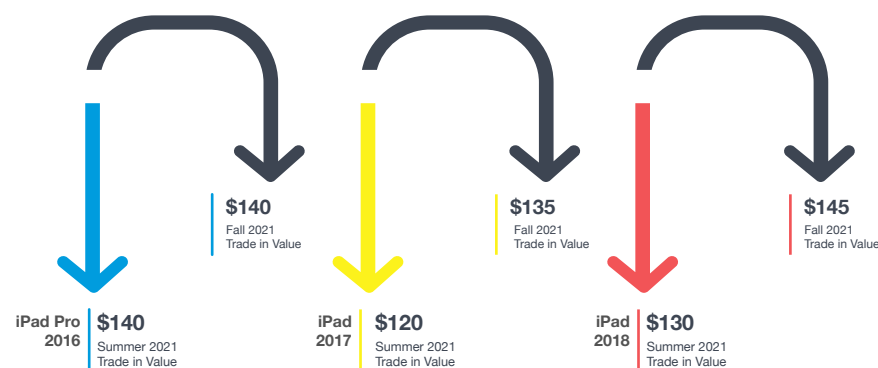
The resale market for Apple devices is flooded during summer months as thousands of schools trade in their used devices. A glut of devices results in lower purchasing prices by buyback companies. This is the rule of supply and demand at work.

Waiting to refresh devices when demand for used Apple technology is high and the supply is low can net districts an additional 12% or more for their used devices. On a fleet of 2,000 iPad, this equates to \$34,000.

Alternatives to summer trade-ins:

Fall—used devices are in demand for holiday buyers.

Spring Break—optimal time to negotiate with Apple for new devices.



2,000 iPad	Summer 2021	Fall 2021	Difference
2016 iPad Pro 9.7"	\$280,000	\$280,000	\$0
2017 iPad 5th Gen	\$240,000	\$270,000	\$30,000
2018 iPad 6th Gen	\$260,000	\$290,000	\$30,000

Understanding deductions

Continuing our car analogy, when you go to sell a car, dealers are willing to pay a premium for vehicles that have been well-maintained and are free from dents and dings.

The same is true when selling your used Apple devices. Devices in great shape will be worth more than those with scratches and cracked screens.

When selecting a buyback company, it's important to understand how they grade devices.

Beware of any company that only gives you an estimate based on "Grade A" devices. Let's face it, students can get careless with devices, so few will be Grade A. Expecting to be paid for Grade A but actually being paid for Grade D or F will make a big impact to your bottom line.



Deductions

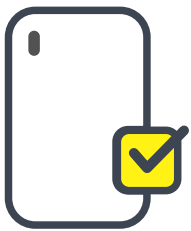
- 2 scratches/blemishes
- LCD screen has a scratch

Positive Criteria

- + No white spot on LCD screen
- + No defective components: headphone port, speakers and keyboard work.

How to minimize deductions

There are a number of best practices that can help keep devices in good shape and minimize deductions:



Buy the Right Case

Rigid plastic snap-on style cases can trap dirt and cause scuffing and scratching. Look for cases with a rubber inner sleeve and a hard shell that snaps over it.



Use a Screen Protector

A hard screen protector will protect both the device and the screen if it's dropped.



Skip the Engraving

Buyback companies deduct \$10 or more from the value of each device if it is engraved.



Avoid Stacking Devices

When storing iPad and MacBook, don't stack them on top of each other, which can cause permanent screen impressions. Instead, stack them upright like books.

Leveraging Apple Care+ for a higher payout

Some school districts charge parents for devices that are badly damaged, which is difficult to enforce and can create some unpleasant interactions.

There's a little known secret in the industry that can net school districts some serious money for very little effort: AppleCare+.

Districts that have iPad under warranty with AppleCare+ and don't have a deductible can send damaged devices to Apple Care+ before the fleet is refreshed and Apple Care+ will replace the broken devices with brand new same generation iPad.

The great news is that it doesn't cost school districts anything to do this; they've paid for the service with their AppleCare+ fee.

One district sent approximately 1,000 broken iPad in to AppleCare+ for replacement before their refresh. The school received new-in-box same generation iPad in return. These iPad were worth top dollar and brought the school district an additional \$140,000 at trade-in.

How to prepare devices for sellback

Second Life Mac assigns a dedicated account manager who is your single point of contact and communicates with you throughout the entire process.

We do most of the work needed to enable a smooth sellback, including removing asset tags, stickers and cases for you, which saves your staff time. We also perform the data erasure and cleaning for you.

There are three important tasks for IT directors:

- Disable Activation Lock on all devices
- Remove devices from any mobile device management program (MDM), such as Jamf or Kandji
- Release devices from Apple School Manager
- Provide us the EFI passwords

Prior to removing a fleet of devices from an MDM program, IT directors should first remove Activation Lock. Activation Lock makes it difficult for someone else to use or sell an Apple device, so they must be unlocked before the trade in.

Activation Lock can be disabled via your MDM solution, which contacts Apple servers to unlock the devices.

If you enrolled your devices in an MDM using Apple School Manager (previously Apple DEP), the administrator can choose to allow enrollment profiles to be removed by the MDM server. Follow the instructions from your MDM to unenroll a fleet of devices.

It's also important to provide Second Life Mac any EFI passwords. These firmware locks are used for theft protection and result in a locked screen when the device is erased.

All of these steps ensure that sellback audits move forward quickly and without delay.

How to pack and ship devices

There are two options for sending devices to Second Life Mac: pick-up or mail-in.



Pick-up

If Second Life Mac is picking up your devices, we send badged and background-checked employees who come on-site to inventory, pack and ship your devices. These experienced asset recovery specialists work independently and do not require your staff oversight.

During the pick-up, devices are inventoried and each device is labeled with a unique identifier, which provides transparency and tracking from pick-up to pay-out. An inventory count is provided to the district at the time of pick up.

A word about COVID-19

During the COVID-19 pandemic, all CDC recommended safety precautions are taken, including the use of PPE and social distancing. Employees are frequently tested for COVID-19 and are not allowed to travel if they feel unwell. After your devices are packed and shipped, our employees sanitize all work surfaces.

We also offer the industry's only Touchless Trade-in™, a drive-through process that allows parents and students to safely refresh their devices without handling by administrators.

To protect devices while in transport, Second Life Mac uses custom packaging and shipping services that are insured and secure.

Mail-in

For smaller fleets, we send specialized packing materials and arrange for secure shipping.

How the audit process works



Receiving & Notification

Once your devices arrive at our secure warehouse, they are tested to ensure that they are unlocked and removed from mobile device management (MDM) services.

Your dedicated account manager then notifies you that the devices have arrived, and you are given a list of any devices with lock issues.

Data Erasure

Second Life Mac immediately erases and removes all user information from devices. We meet NIST standards for data erasure, and no user information is ever shared with a third party. Any hard drive that cannot be erased is destroyed.

Data erasure certificates are available at any time.

Audit & Inspection

Following data erasure, our audit team functionally tests the devices, including screens, internal components, keyboards, cameras, and external ports and jacks.

Then, all devices are cosmetically cleaned and identifiers, such as asset tags, stickers, markings, and engravings, are removed.

Finally, devices are inspected cosmetically to look for chips in screens, dents or scratches in the device housing, and missing buttons. Devices are awarded a grade based on the function and cosmetic inspections (see page 8).

Reconciliation & Payment

Second Life Mac creates a detailed reconciliation report that lists devices by model and grade. Your account manager calls you to review the audit report, and to address any questions.

Finally, a payment is sent promptly.

How to select the best sellback partner

There's nothing equal to experience when it comes to selecting the best sellback partner.

A sellback company with deep Apple experience will have unique insights about the refresh process that will result in a streamlined, more profitable experience.

Look for a sellback partner who acts as a trusted advisor and has your district's best interest at heart. A partner who is building a long-term relationship with your district will provide experienced counsel to help your district achieve its sustainable digital learning goals.

If your district is required by law to conduct an RFP process to select a sellback vendor, here are some ways you can uncover the best partner.

1. Develop a list of the quantity, generation and type of devices you're looking to trade-in. Honestly assess the condition of devices, and ask for a bid that includes a guaranteed minimum.
2. Review vendors' grading scales, and ask for the average device condition of previous buybacks.

3. Insist that vendors send badged employees to pick up devices, and don't outsource this sensitive and important step.
4. Ask how devices are audited and how companies maintain transparency throughout the process.
5. Discover what is and is not included in the buyback, including on-site pickup or touchless pickup.
6. Offload things that consume district resources, such as asset tag removal, engraving removal, device sorting, and hard drive erasure.
7. Require certificates of data destruction, and proof that all broken devices are recycled responsibly and not resold.
8. Request and call references. Network with other districts to learn about their experiences.
9. Require onsite presentations and meetings. In many cases, the equipment's value is a significant amount of a school district's budget and doing business requires trust and going above and beyond.
10. Create a rubric for evaluating vendors that reflects the most important aspects of a partner implementing a large initiative.

For large sellbacks of 5,000 or more devices, it's a good idea to require that all bidders meet with district officials in person in order to participate in the RFP. This personal meeting will give decision makers the opportunity to ask important questions, and gauge responsiveness.

Signing on the dotted line

Contracts are an important part of any sellback, so make sure you have a contract that protects the district if something goes wrong. Here are some tips:

Guaranteed Minimum

Insist on a guaranteed minimum payment to ensure the buyback company doesn't quote high to win the business and then pay low.

Grading Criteria and Audit

Include the agreed grading criteria and require an audit of each device.

Default Clause

Incorporate a default clause that specifies what will happen if the buyback company doesn't comply with the contract or perform as promised. For example, if the buyback company fails to live up to the terms of the contract, they will return devices at their expense and the contract will be awarded to the next highest bidder.

Reselling your used devices is a fiscally responsible way to ensure the sustainability of digital learning programs.

A good buyback company will make the process go smoothly.

If you're considering a refresh, let's talk.



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