

**The Ultimate Guide to**

# Refreshing Devices for Superintendents



# Executive Summary

Digital learning initiatives are core to the success of students, yet districts often struggle with how to pay for technology, which must be updated about every three years in order to be effective.

A good practice is to sell back used devices and use the proceeds to offset the cost of the next fleet of digital devices.

This eBook describes the sellback process, and illustrates important concepts associated with selling back used devices. To summarize,

- Sell backs reduce the cost of ownership of digital devices, and also enable districts to purchase better devices, achieve sustainable digital learning programs, and reduce the growing problem of e-waste.
- Tabulating the total cost of ownership allows districts to look beyond the initial dollar outlay and factor in all aspects of a technology choice.
- Regularly refreshing devices enables districts to adopt cost-efficient and sustainable technology budgeting practices.
- Timing the refreshing of devices can have a big impact on a district's payout.
- The grading of devices by buyback companies determines the value of your fleet, so it's important to understand how companies grade devices, and how to ensure your district's devices fetch the highest price at trade-in.
- The selection of a buyback partner can make a big impact on the success of your sell back, so it's important to ask the right questions.

The Ultimate Guide to

# Refreshing Devices for Superintendents

If the pandemic taught district administrators anything, it was about the value of technology to modern learning.

As districts scrambled to implement remote learning, the need for digital learning devices and curricula for students became top priorities. In some districts, superintendents already were deeply involved in digital initiatives. For others, it was an abrupt initiation.

Truth is, digital learning has been transforming education for years. While once the responsibility of technology experts, superintendents increasingly are pulled into digital learning initiatives to ensure strategies align with the needs of students, and that efforts are properly budgeted.

This eBook is designed to introduce superintendents to a growing trend in ed tech: the resale of used district devices to fuel sustainable digital learning programs.

# What's in this guide?

- 1 What is a technology sellback?
- 2 How a sellback works
- 3 Money is great, but there are other benefits, too
- 4 Why total cost of ownership matters
- 5 Selling used devices leads to sustainable digital learning programs
- 6 How often should schools refresh devices?
- 7 Timing refreshes when demand is high
- 8 COVID-19 considerations
- 9 Understanding deductions
- 10 How to minimize deductions
- 11 Leveraging Apple Care+ for a higher payout
- 12 How to select the best sellback partner
- 13 Signing on the dotted line

# 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 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 your devices have value 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 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 deferring 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 Chromebook vs. iPad. At first glance Chromebook appears to cost less. Despite iPad’s reputation as a superior ed tech device, districts that purchase based on price alone often select Chromebook.

Look for a sellback partner who can work with you today to guarantee the future trade-in value of your new devices. Second Life Mac’s unique Guaranteed Future Residual program guarantees a minimum buyback amount in 36 months as long as your equipment remains covered under AppleCare+.

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
<b>Total Cost of Ownership:</b>	<b>\$257</b>

Chromebook	\$300
Case	\$35
MDM	\$25
Total Cost:	\$360
Buy Back after 3 yrs.	\$25
<b>Total Cost of Ownership:</b>	<b>\$335</b>

**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 broadband and water.

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
- Better student engagement
- More intuitive for students
- Students and teachers prefer
- Camera for multimedia projects
- Low rate of damage
- Fast, easy and reliable

## Chromebook

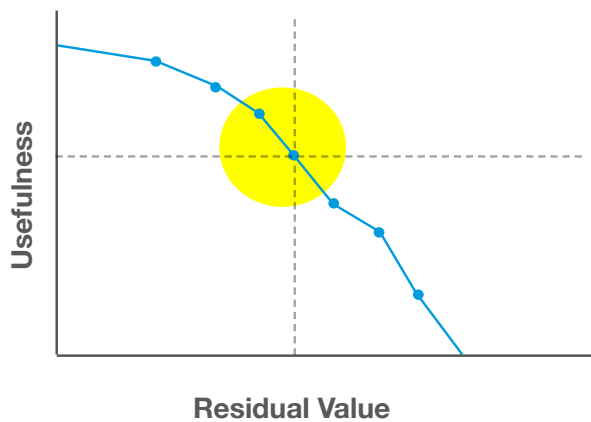
- Low student engagement
- Need WiFi connection to learn
- Low quality
- High damage rates

# 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 their teaching/learning effectiveness and their residual value is still high.

**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 aging devices and repurpose others 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.

# Timing 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.

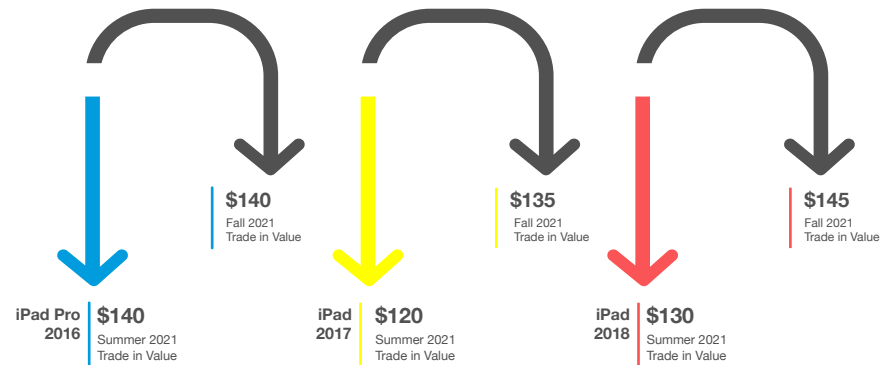
But when it comes to selling back devices, summer is a bummer.

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 iPads	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

# COVID-19 considerations

During the COVID-19 pandemic, school districts often struggle with how to safely refresh their devices.

It's important that buyback companies adhere to all CDC recommended safety precautions, including:

- The use of PPE
- Social distancing
- Pick up staff that is tested frequently for COVID-19
- Sanitation of all work surfaces after devices are packed and shipped

Second Life Mac goes a step further by offering the industry's only **Touchless Trade-in™**. This drive-through process allows parents and students to safely refresh their devices while maintaining social distancing.

The entire process is conducted by Second Life Mac employees and does not require administrators to handle any devices.



# Understanding deductions

Continuing our car buying and selling 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



## Deductions

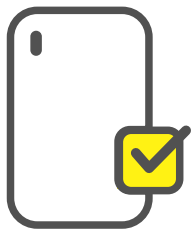
- 2 scratches/blemishes
- LCD screen has a scratch

## 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:



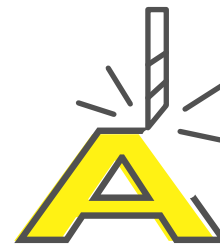
## Buy the Right Case

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 like Books

When storing iPads and MacBooks, 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: Apple Care+.

Districts that have iPad under warranty with Apple Care+ 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 Apple Care+ fee.

One district sent approximately, 1,000 broken iPad in to Apple Care+ 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 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 that will 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 take district resources, such as asset tag removal, engraving removal, device sorting, and hard drive erasure.
7. Require free certificates of data destruction, and proof that all broken devices are removed from Apple School Manager and recycled responsibly.
8. Request references and call them, and network with other districts to learn about their experiences.

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 Incase of Low Quality Outcome**

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.**



7603 New Gross Point Road  
Skokie, IL 60077



847-376-2757



[quotes@secondlifemac.com](mailto:quotes@secondlifemac.com)

