



GlaxoSmithKline Sees \$1.8 Million Gain from Eco-Friendly Refurbishing of Old PCs

Overview

Country or Region: United States

Industry: Manufacturing—
Pharmaceuticals

Customer Profile

GlaxoSmithKline—one of the world's leading research-based pharmaceutical and healthcare companies—is committed to improving the quality of human life by enabling people to do more, feel better, and live longer.

Business Situation

Like other companies, GSK had obsolete computer equipment left under desks, in corners, and behind cabinet doors; it wanted to remove that equipment in a way that enhanced environmental sustainability.

Solution

GSK teamed with asset value recovery provider PlanITROI. Together, the companies implemented an eCycling program that saw the equipment refurbished and sold, or disposed of in an eco-friendly way.

Benefits

- Generates U.S.\$1.8 million in asset value recovery
- Reduces carbon footprint by 143 tons
- Changes approach to current technology



The Leader in IT Asset Value Recovery

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Armin Jahromi, Service Development Manager, GlaxoSmithKline

Used computers, old printers, abandoned scanners. Like most large companies, GlaxoSmithKline (GSK) had ever-increasing amounts of outdated equipment cluttering its offices and—when that equipment remained plugged-in—consuming electricity. But unlike most large companies, GSK decided to do something about it. Working with PlanITROI, a commercial Microsoft Authorized Refurbisher, GSK launched an eCycling program that removed the unwanted equipment, netted it U.S.\$1.8 million in asset value recovery activities over two years, and reduced its carbon footprint by 143 tons. GSK credits the success in part to PlanITROI's concern for environmental sustainability, and to that company's ability to increase the value of refurbished assets by preinstalling genuine Windows software, thereby enhancing the appeal of those assets to resellers and consumers.

Microsoft
AUTHORIZED
Refurbisher

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Situation

The employees passed by it every day and, if they noticed it at all, they assumed it was junk—much the way employees at your company probably make the same assumption. Only this “junk” turned out to be worth U.S.\$1.8 million over two years to GlaxoSmithKline (GSK), the international pharmaceutical company.

“It” was the mass of unused computers, monitors, printers, fax machines, and other abandoned IT equipment throughout the company’s U.S. headquarters in Philadelphia, equipment that had long since been replaced by newer models, but that had never quite made it back to the IT department for disposal. The equipment could be found under desks, in office corners, behind cabinet doors. It was so omnipresent that it was almost invisible. Almost.

But Armin Jahromi noticed.

Jahromi, Service Development Manager for GSK, helped to administer the company’s ongoing program to recycle obsolete equipment. That program was reactive; it responded to calls from GSK departments that wanted their own obsolete equipment removed, or that had excess equipment as a result of personnel changes. An outside company would take the equipment, refurbish and resell it when possible, and dispose of equipment that was unsuitable for resale.

What GSK needed now was a proactive version of that plan, Jahromi thought. “We needed a program that would put our traditional asset end-of-life recycling effort on steroids,” he recalls. “Instead of dealing with one computer at a time, we had to do a full sweep of two buildings, totaling 32 floors, and simply eliminate all the excess and obsolete equipment.”

There were challenges to achieving Jahromi’s vision, and he knew it. The IT department had never carried off something as big as this before, in part because it lacked the equally big staff needed to manage the process of identifying all the unused equipment, carrying it out of the building, and loading it in trucks to be carted away. Knowing what was truly unused was a challenge in itself; Jahromi didn’t want to haul away equipment only to have people asking for it the next day.

There were other issues. For example, GSK was a green company, dedicated to supporting the environment. The equipment that was hauled away couldn’t end up in landfills, couldn’t be allowed to poison or leach into the environment.

As Jahromi continued to contemplate the challenge, another issue emerged: Much, perhaps most, of the equipment he expected to remove was still plugged into wall sockets, and still consuming electricity. That was a continuing and completely unnecessary expansion of the company’s carbon footprint. Because it would be impossible to always ensure that unused equipment was powered-down and unplugged, Jahromi wanted to act promptly to minimize the ongoing waste of energy.

Solution

Fortunately, Jahromi and GSK didn’t have far to look for the resource to help address these issues. The company’s existing IT asset disposition services provider, PlanITROI, said it was up to the challenge.

PlanITROI, a leader in IT asset value recovery, has been at the forefront of the green or sustainable IT movement since the company’s founding in 1991. As a commercial Microsoft Authorized

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Refurbisher and a Microsoft Gold Certified Partner, PlanITROI has the knowledge, credentials, and resources to refurbish PCs to Microsoft standards, including the preinstallation of genuine Windows operating system software.

Going beyond that, the company also puts its refurbished PCs through a multipoint quality assessment; those that pass receive the PlanITROI Certified Nusedsm designation and a warranty from the company. The refurbished PCs are then sold to e-tailers, retailers, and established resellers worldwide, ultimately to be used by businesses, non-commercial organizations, and consumers for which dated technology is not a problem, and relatively low prices are a distinct plus. PCs and other IT equipment that cannot be refurbished are disposed of in an eco-friendly way that keeps them out of landfills and that breaks down and recycles their basic components and materials.

Together, GSK and PlanITROI planned the asset value recovery operation. Jahromi wanted a short-term program to make it easier for GSK to maintain momentum. Even so, the recruitment of employee volunteers would be crucial to the effort; volunteers would be most familiar with the unused equipment in their own departments, would provide a necessary workforce for identifying and tagging equipment, and would serve as a liaison between their departments and the IT staff.

Removing obsolete equipment wasn't a sufficient theme to attract and motivate volunteers—but furthering the company's green initiative was. Jahromi highlighted the environmental value of the program through an array of GSK-internal marketing tools, including a corporate intranet page, email messages, and posters. The result:

Jahromi signed-up the 35 “eCycle champions” that he needed.

Jahromi knew that the IT department lacked the administrative staff to manage the eCycling program in addition to its regular obligations, so he again turned to PlanITROI. The company agreed to handle management of the program as well as implementation of the refurbishing and recycling of the equipment.

The program was scheduled for just one week in February 2009. The eCycling volunteers covered the company's 32 floors in that time. To remove the obsolete equipment as quickly as possible, GSK used 18 carts; at any one time, facilities personnel were loading 6 carts, another 6 carts were on their way to PlanITROI, and the final 6 carts were being returned to GSK for another round of use.

Employee enthusiasm for the program was tremendous. In response, GSK expanded its scope from computers and peripherals to include virtually any electronic device—fax machines, cell phones, and CD/DVD media and players. Employees asked if they could bring in equipment from home (the answer was no). One employee even asked if GSK would accept his typewriter. The company also extended the program for another week, so employees could dig even deeper into offices and storage areas and turn over even more equipment.

When the eCycling program concluded, GSK had purged itself of nearly 1,000 pieces of equipment weighing almost 6 tons—far more than it had anticipated.

Benefits

GSK measures the success of the eCycling program both in the revenue windfall it produced, and in the program's ability to reduce the company's carbon footprint and

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raise environmental awareness. The program’s success has even changed the way employees think about current technology—and about helping their fellow employees.

Generates \$1.8 Million in Asset Value Recovery

GSK didn’t begin the eCycling program to generate revenue. It had initially viewed its obsolete equipment as depleted assets to be disposed of in an environmentally friendly fashion, not as assets that could continue to generate revenue. That the company ended up making significant income from the program turned out to be a very pleasant surprise.

The two-week eCycling program in 2009, plus sums from asset value recovery efforts over the two previous years, brings the total to \$1.8 million.

“How often can you say that an IT department is generating revenue—seven-figure revenue—for its company?” asks Jahromi.

The total value of the refurbished PCs was even higher than the returns to GSK. Under its agreement with GSK, PlanITROI retained 40 percent of the asset value for refurbishing and reselling the equipment.

Jahromi says he sees nothing inevitable in the high returns GSK has achieved from the asset value recovery effort. Those returns represent the value that PlanITROI adds to the equipment through a high-quality refurbishing process—a process that includes both its own warranty, and pre-installed Windows software with an authorized Microsoft license. “When you put a stamp on a device that shows it has an authorized Microsoft license, that has to drive the value up,” he says. “As a Microsoft

Authorized Refurbisher, PlanITROI is able to do that.”

Reduces Carbon Footprint by 143 Tons

Of potentially greater long-term significance is the impact of the eCycling program on the carbon footprint of GSK and on environmental sustainability. What helped to make this impact possible, says Jahromi, was his company’s “partnership” with PlanITROI.

“We’re very concerned about environmental sustainability—and so is PlanITROI,” he says. “In the U.S., any company can claim it does asset recovery in an eco-friendly way, because there are no regulations about what that means. So it was crucial for us to work with a partner that both shared our concern for the environment, and that we knew we could trust. PlanITROI was that partner.”

Jahromi points, for example, to the “no landfill” policy that the two companies share. “For any of our obsolete equipment that couldn’t be refurbished and resold, we knew that PlanITROI was as committed as we were to seeing that it never entered a landfill,” he says. “They would go to the expense—their expense, not ours—of shipping the equipment to Canada to be broken down into recyclable parts and commodities.”

By unplugging and removing obsolete equipment, GSK saves 190,000 kWh of electricity a year, for an annual reduction of \$21,000 on its electric bill. That savings also takes 143 tons of carbon out of the atmosphere each year, reducing the company’s carbon footprint. That benefit isn’t lost on GSK employees.

“There’s much more awareness of energy consumption, about not wasting energy, among our employees as a result of the e-

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Armin Jahromi, Service Development
Manager, GlaxoSmithKline

cycling program,” says Jahromi. “People are less likely to leave obsolete equipment lying around, consuming power. They call us sooner to remove it, and that also accelerates the revenue stream we see from asset value recovery.”

Changes Approach to Current Technology

The success of the eCycling program has resulted in requests from other GSK offices, throughout the U.S. and internationally, for eCycling programs of their own. It has also changed the way people at GSK handle dated technology—and even the way they think about current technology.

“The IT department recently got a call from procurement,” Jahromi relates. “Someone wanted to buy a new scanner, and the procurement rep denied the request because she knew that there had to be current, but unused, scanners already in the building. She was right—we had several scanners, and we supplied one to meet the request. That not only saves us the cost of buying a scanner, but also reduces our carbon footprint by the amount of resources needed to produce the packaging, and by the amount of fuel consumed by the plane or truck that transported the scanner. We’re thinking about this at that level now. Also, given the economic climate, people are very aware that money saved can mean a job saved for someone, somewhere in the company. We’re very conscious of the impact of this effort on our fellow employees.”

Not too long ago, outdated technology was little more than junk to the employees at GlaxoSmithKline. Today, that “junk” is a source of significant revenue—and a significant factor in the company’s contributions toward environmental sustainability.

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