Business Model Case Study Description

Inrego AB
Sweden
Independent remanufacturer
Since 1995
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Product

Computers and smart phones

Core Sourcing

Inrego buys used professional IT-equipment from private and public organisations for reuse purposes.

Business Model

Inrego buys used professional IT-equipment from private and public organisations, reconditions it, data wipes all information and resells or leases it to the next user. Inrego pays the seller for the product value and charges for the asset disposition services handling, data wiping and transportation.

Value chain

This way the seller, the buyer and society benefits as well as creating a profitable business for Inrego. The seller can be reassured all data on discarded equipment is permanently erased while at the same time easily getting unwanted IT-equipment fetched, payed for and inventoried in a controlled and transparent manner. The vast majority of IT-users do not need the latest and greatest hardware for operating their needs in business, home use, administration etc. A three year old reconditioned computer or smart phone by far fulfills these needs for the buyer, who can hereby buy or lease a fully functioning high end IT-product including one year warranty. Inrego's leasing or "Product as a service" is increasing and is an important area to promote, as products this way comes back for another life extension when no more needed and can fulfill IT hardware needs in other parts of the society. As every unit is tested thoroughly, Inrego experiences an even lower customer complaint percentage than suppliers of new manufactured equipment.

Remanufacturing process

All equipment is received and sorted for potential reuses at Inrego's ISO 14001, 9001, 27001 and OHSAS 18001 certified recondition facility. Around 90% of all received equipment is reused; the remaining is recycled downstream at an external recycling partner. At reception, all core units are bar code labeled with a unique ID tied to its serial number, which is scanned to track and register specifications and test results throughout the reconditioning process. The hardware functionality is tested and cosmetic damages inspected. Appropriate upgrades and repairs are performed based on standard cost/benefit analysis. Data is wiped using professional software that renders a data wiping certificate. The inventory list, data wiping certificate and environmental savings are reported back to the seller in a web portal, and payment is done for the product value. Products are resold online at www.inrego.se and can be customized to fit the customer's need of technical specifications and software.

Economic Benefits

- The used IT-equipment can result in a net economic income instead of taking up valuable space in a seller's storage room
- Municipalities, businesses and private persons can buy professional IT-equipment at half the price of new products.
- Inrego has annual turnover of 230 MSEK with good profitability, all related to the IT-equipment reuse business model.

Environmental Benefits

Manufacturing of a computer requires approximate 22 kg chemicals, 240 kg fossil fuels and 1 500 liters of water according to UNEP. Furthermore, reuse of a computer saves the atmosphere 109 kg CO_2 -equialent emissions and a smart phone 27 kg CO_2 -equialent emission. These environmental savings share is reported to both the seller and buyer. In 2014 Inrego reconditioned 260 000 units which saved 2 800 tons CO_2 -equialent emissions.



Social Benefits - Jobs, Upscaling, etc.

- As schools can obtain approximately the double quantity of fully functioning reconditioned computers compared to new products within their fixed spending budget, more students get access to digital tools in education. In 2014, around 700 schools utilized reconditioned computers through Inrego.
- Directly employs 80 people at Inrego (which is steadily increasing) as well as numerous suppliers within e.g. transportation.
- Some of the computers and smart phones are donated by Inrego and their customers to charity where it is needed, e.g. Stadsmissionen in Stockholm needs computers and smart phones for their refugee centers.

Advanced Materials Recovery

As reuse makes use of all embedded materials in the product, materials such as precious metals, plastics, copper, tin, rare earth metals et c, are avoided to end up too early in the waste stream and replaces corresponding materials in a not needed newly manufactured computer or smart phone.