**Business Model Case Study Description**

**Stone Computers – IT equipment**

**Company:** Stone Group (Stone Computers Ltd)

**Location:** Stafford, UK

**Type:** OEM/OER Remanufacturer

**In reman:** Since 2009

**Contact:** Martin Ruston (Risk & Compliance Manager)

**Phone:** +44-1785-786-735

**E-mail:** martin.ruston@stonecomputers.com

**Web:** www.stonegroup.co.uk

**Product**
Refurbished IT equipment

**Core Sourcing**
Cores are retrieved from any companies, public sectors, organisations with waste IT equipment.

**Business Model**
Stone Group is established in 1991 and is a leading provider of Information and Communication Technology (ICT) solutions to education and the public sectors. They are one of the only UK IT hardware configurators to operate its own in-house IT recycling and refurbishment facility (fully licensed by the Environment Agency). The company also follows and maintains a zero landfill policy.

In the recycling scheme, the company retrieves the cores via several methods:

- The main one: old cores will be collected when the company refreshes the IT equipment for their customers.
- In some cases: The company will collect the cores from other companies, public sectors, organisations that did not have previous business with Stone and have waste IT equipment.
- The company also have numbers of partners to find the sources of waste equipment to recycle.

After cores are collected, the refurbishment processes are: Safety & function tests → Clean & data erased → Minor repairs → Cleaning which is undertaken to render the IT equipment suitable for re-use at different grades.

The driver of the business model is the ethical and legal propagation. As a manufacture of electronic equipment, Stone Group feels to have obligation to maximise the uses of IT equipment and recycle the un-reusable ones properly. So the company has its own facilities to recycle the end-of-life equipment to achieve zero wastes. The challenge for Stone Group is second remarket where the equipment can be reused. For older equipment, it is more difficult to find second reuses. The company has different customer group to sell the refurbished equipment: to private consumers in UK through their own Encore website, EBay, Amazon; to brokerage which sells the products in developing countries. To facilitate this business, the key resources are IT technician skill, facilities and space for the IT refurbishment operation, technology support such software for easing data, and mechanical shredding equipment to facilitate recycling and segregating materials for un-reusable equipment.

From this business model and recycling scheme, the pros are customers get free of charge recycling service including waste collection and the recycling process. Stone group cover the cost of the recycling service through sales of reusable equipment or recycled materials such as metals.

**Economic Benefits**
The refurbished products’ price varies significantly depending on the age, specifications, capability, and also brand of the products. As this service, customers see the benefit of usable IT equipment with affordable price. However, the downside of the product is the specifications that are behind up-to-date technology.

**Environmental Benefits**
Refurbishing equipment for reuses helps to reduce electronic waste and save energy used at the manufacturing stage. The company has environmentally regulated process and facilities to recover waste equipment in the market and ensure the equipment get to reuse instead of scrapped. From the recycling activities, the company ensures there is no landfill.
Stone Group has awarded Electrical and Electronic Recycler of the Year at the National Recycling Awards in 2014 which recognises the activities of recycling and waste management in the company.

Social Benefits
The recycling facilities expand a lot since the company started in 2009 and there are 40 – 50 people associated with the recycling service now.

The companies also have numbers of associated charity activities such as: donating numbers of refurbished PCs every month to IT School Africa, supporting social scheme “Get on-line” run by Microsoft, donations to local organisations (schools, nursery).

Advanced Materials Recovery
From IT refurbishment process, the advanced materials in the IT equipment such as metal can be revered and reused.