

Since our founding in 1995, U.S. Micro has never wavered from providing our customers the highest possible residual value by purchasing their equipment outright. What was true then has been validated time and again throughout our years in business – our outright purchase model is vastly superior to consignment sales and other similar models. In short, outright purchase is far less risky and delivers greater residual value to both our end-user and leasing customers. Here’s why:

CONSIGNMENT VENDOR

U.S. MICRO

Financial Risk of Depreciating Assets

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- Computer equipment depreciates rapidly over time
- The longer the sales cycle, the less money the equipment owner makes
- Consignment vendors have almost no risk in holding equipment for long periods, because they make the bulk of their money in fees – not sales
- Equipment owners bear nearly all the financial risk in consignment (they foot the bill for consignment vendors to carry their inventory)

- U.S. Micro pays customers the full, fair market value of their entire lot of equipment
- After picking up and auditing the equipment, U.S. Micro cuts a check for the full value of recovered assets
- U.S. Micro assumes the full financial risk of equipment depreciation
- U.S. Micro customers receive the highest possible residual value

Asset Recovery Risk

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- Consignment vendors have almost no incentive to recover 100 percent of a customer’s PC assets
- Consignment vendors make only a small percentage of the eventual sales price – a fraction of their total revenue
- Even a small portion of unrecovered assets could amount to thousands of PCs “floating” across the country
- Sensitive data – client, corporate, HR – could reach the marketplace

- U.S. Micro contracts to buy 100 percent of a customer’s equipment outright
- U.S. Micro’s only source of revenue is from reselling the equipment we purchase
- U.S. Micro’s entire business model is predicated on ensuring that U.S. Micro picks up 100 percent of the equipment they have agreed to purchase

Asset Security Risk

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- Accurate tracking and reporting of a consignment involving thousands of PC assets is incredibly difficult
- Administrative and accounting errors are inherent in consignment sales
- Equipment owners can lose up to 10 percent of owed receivables due to such problems

- U.S. Micro purchases the entire lot of a customer’s equipment outright
- U.S. Micro takes over ownership and accounting for all equipment upon pickup, mitigating any consignment-type tracking and reporting errors
- U.S. Micro customers receive a check for the full value of recovered assets