



## CASE STUDY – TRANSACTION & MANAGED SERVICES

### IN HOUSE ASSET DISPOSITION

How Surplus Liquidation Solutions helped a Global Semiconductor Manufacturer market and sell their end-of-service life business class IT equipment

#### CLIENT OVERVIEW

*The Client* designs, manufactures, tests and sells analog and embedded semiconductors in markets that include industrial, automotive, personal electronics, communications equipment and enterprise systems.

*The Client* refreshes their data center and end-user technologies on a scheduled basis. Their used devices are processed by their internal IT department who removes and destroys drives. The “scrap surplus” is then transferred to their Investment Recovery Department who engages Service Providers to audit the inventories and sell the devices into the secondary marketplace.

The scrap inventories were most often held at *The Client*’s warehouse until it is sold.

#### PILOT PROJECT REQUIREMENTS

*The Client* required an ongoing service provider capable of taking surplus equipment to the secondary market as it became available. *The Client* retained Surplus Liquidation Solutions (SLS) to conduct a pilot/proof of concept to:

- Take possession of the inventories at our Carrollton, TX warehouse
- Complete an audit of the inventory to assure all drives and asset tags/identifiers containing *The Client*’s name are removed
- Build “lots” to achieve the highest recovery values for the inventories
- Execute marketing programs on the auction lots utilizing SLS’s international known and vetted *Bidder Database*, plus 3<sup>rd</sup> party listing services
- Conduct timed “best & final” bid sales events
- Notify and receive “approval to proceed” from *The Client*
- Invoice and collect sales proceeds from *Winning Bidder(s)*
- Collect Resale Certificate from *Winning Bidder(s)*
- Fully manage the release of sold items to *The Winning Bidders*; they are responsible for scheduling and all shipping costs
- Remit funds (ACH, Wire, or Checks) to *The Client* within 5-days upon *Winning Bidder(s)* removing lots from *The Client*’s facility
- Provide historical sales report

#### GOALS

*The Client* established specific goals:

- Take possession of inventories as needed
- Provide audit reports on all inventory received
- Assure no identifiers (asset tags and other) remain on any device
- Generate more competition for the surplus inventories utilizing controlled marketing methods
- Exceed historical recovery values
- Settlement payments (NET sales proceed) paid within 15 days post inventories removed from SLS’s warehouse
- Provide sales summary reports

#### SERVICES PROVIDED

- Warehousing
- Resources to audit and power on all inventories to assure no storage devices remain and to remove all tags/identifiers
- Desktop valuation assistance – SLS generated the estimated recovery expectations for inventories received
- Developed lotting strategy for sales into the secondary market as part of the audit process
- Promoted sales lots to our global buyer base plus posted all lots on 3<sup>rd</sup> party marketing platforms
- All lots were transacted on a “Timed and Best & Final” bid basis.
- Collected bids and presented best and final bids to *The Client* for their approval to proceed
- Invoiced and collected sales proceeds and taxes when applicable from *The Winning Bidder(s)*
- Initiated clear to release process, allowing *The Winning Bidders(s)* to schedule removal of sold items from SLS’s warehouse
- Created sales summary reports and remitted NET sales proceeds per *The Client*’s instructions

#### RESULTS

- Marketed to over 4600 global dealers & brokers
- 800+ units sold; gross sales exceeded \$100,000.
- Exceeded recovery expectations by 21%
- Reduced fees by 45% from previous services providers
- Settlement proceeds paid via ACH within 5-days
- Awarded on-going agreement to handle 2022 projects

#### ABOUT US

Surplus Liquidation Solutions, LLC offers services to the Fortune 1000 to resell their surplus capital assets and end-of-service life IT equipment. SLS is a Broker and Liquidator. We will purchase surplus outright or provide services to prepare, stage, market and sell used commodities. SLS utilizes its global and vetted buyers database and 3<sup>rd</sup> party listing services to expose every assets it is retained to resell. Our expertise covers multiple commodity types. Visit our website to learn more to schedule an appointment.