



Putting America's
Assets Back to
Work!

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WORKING WITH AN ASSET MANAGEMENT COMPANY

While asset management companies do everything in their power to maximize their clients' return, there is much companies can do to aid in that recovery.

Your recovery is only as good as the information on the furniture or equipment to be removed.

When ABCSI is getting you a bid on a job, the more details we have, the better number we will be able to present.

As an example, a recent job had 300 phone systems, we knew the brand but not the exact model number. There was a variance of \$50/unit depending on which it is, for a total of \$15,000

difference. Unless a client gets us clarifying information quickly we have to assume a lower value. Useful details on items include:

- Quantity
- Color
- Brand
- Model
- Age
- Pictures
- Floor plans

Information affecting the schematics of the job can also have in impact. Not having accurate details can affect the efficiency of a removal. These details include:

- Timeline for removal
- Access to Freight elevator or loading dock

- Daytime or nighttime removal
- Is this a union building?
- Floors of the building for removal

Clear and open communication with your asset



recovery specialist will maximize your net return and minimize costs of removal.

HIDDEN COSTS OF ASSET REMOVAL & STORAGE

There are many hidden costs associated with asset removal that are frequently overlooked by managers.

Managers may focus on how much money they can get for an asset or keeping large inventories on hand just in case they may use them in the future.



Hidden costs of removal:

- ▶ Storage Fees
- ▶ Moving Costs
- ▶ Labor of employees to take down items.

- ▶ Damage to material from frequent moving and improper storage.
- ▶ Depreciation of items that are never used again.

Using an asset management company like ABCSI can assist in identifying and mitigating these costs.

ENVIRONMENTAL NEWS:

CA PASSES GLOBAL WARMING ACT - REFRIGERATION SYSTEMS



As part of the California Global Warming Solutions Act (AB 32) the Air Resources Board (ARB) has approved an early action measure to reduce high-global warming potential (GWP) greenhouse gas (GHG) emissions by establishing new legislation and defining requirements related to improved monitoring of **AC or HVAC systems, enforcement of regulations, reporting of refrigerant usage, and recovery, recycling, or destruction of high-GWP refrigerant gases.**

In addition to carbon dioxide (CO₂), the following gasses are also defined as GHGs with high global warming

potential: Methane (CH₄), Nitrous Oxide (N₂O), Sulfur Hexafluoride (SF₆), Perfluorocarbons (PFCs) and Hydrochlorofluorocarbons (HCFCs).

The California EPA's Air Resources Board (CARB) has developed a highly detailed system, known as the Stationary Equipment Refrigerant Management Program and stricter standards for New Commercial Refrigeration Systems. This strategy includes careful monitoring of potential refrigerant gas leaks, improved record keeping and certification of personnel as well as specifications for PFC and HCFC recovery equipment.

The proposed program, addresses the detailed monitoring and management of the PFCs and HCFCs noted above and includes tracking requirements for new and existing commercial and industrial refrigeration systems.

The CARB proposal could also involve fines for mismanagement of refrigerant record keeping, intentional venting of systems, and the inability to regularly submit the required refrigerant usage reports.

The overall intent of CARB's strategy is to monitor and reduce the introduction of man-made GHGs and high GWP gasses into the atmosphere.

“Their extra expense amounted to over \$20,000 from the KD, loading, shipping, unloading and storage fees.”

ASSET RECOVERY HALL OF SHAME

Frequently we see jobs not go smoothly. Usually the problem is when a client does not have us primarily responsible for the project management.

Always, the ideal situation is to minimize moving and storage costs. We could have arranged for the buyer to come remove and ship the furniture.

Instead, the client decided to knock down the equipment themselves, load it, unload it, ship it and warehouse it. Their extra expense amounted to over 20,000 from the KD, loading, shipping, unloading and storage fees.

We would have had the buyer responsible for the reloading. The cost to do so discounted what he was

willing pay for the equipment by \$5500.00.

That is a swing of more than 25,000.00. The equipment was only worth \$32,000.00 to begin with. That made the net return less than \$70000.00 to our customer. Plus, there would have been no expenses or any human involvement on the part of our client.

ABCSI LAUNCHES NEW CHARITABLE PROGRAM

ABCSI has just launched a new program to donate funds, furniture and equipment to charitable organizations.

Michael Lombardi, President and COO at ABCSI, “We have donated money and goods in the past to institutions. However, this has not been as frequent as we would like and we desire to change that.”



Since ABCSI represents clients that have unneeded equipment at their disposal, they are also in the position to suggest to these clients to consider donation as an option.

The benefits of donating to specific non-profit organizations like the *Junior Diabetes Research Foundation, MDA, Heart and Lung Association, The Cancer*

Society, Big Brother Big Sister are apparent and there are non-monetary benefits that can go much further than another dollar.

Some examples of equipment ABCSI or client companies can donate include: Phones, Computers, Chairs/Desks, Kitchen Supplies, Printers & Copiers, Servers, Office Fixtures and Mailroom Equipment.

READY, SET...SELL *Part I: What to do before you market, advertise & sell.*

Once you've made the decision to sell an asset, several steps must be made prior to advertising or marketing the asset:

- Determine if there are restrictions on the sale (e.g. licensing, export, proprietary or competitive reasons why the assets can not be sold in their current form)
- Determine the timeframe for selling the assets.
- Obtain an accurate description of the asset including condition and location)
- Determine if there are environmental or safety issues associated with the removal or sale of the asset.
- Estimate the cost of

removal.

- Estimate the return you can expect from the marketing/sales effort.
- Identify target markets.
- Determine the sales method most appropriate for reaching the target market.

The target market for the sale of surplus assets has three major segments; the broker/dealer, the rebuilder/refurbisher and the end user.

Brokers and dealers have an extensive marketing and buyer database. They purchase assets for resale or market and sell assets for you on an exclusive (consignment) or non-exclusive basis for a commission. A broker typically does not take title of the

asset, whereas a dealer usually does.

The rebuilder/refurbisher are intermediaries who purchase items that need to be rebuilt, repaired or updated. Arranges may involve purchase or consignment.

End users pose the greatest ROI for IR departments. Unfortunately, it is also the most difficult market to reach. Smaller companies in the same industry are likely end user candidates for sales; similar business operations in other countries are also excellent end user possibilities.

Look for Part Two in a forthcoming issue: "Rules for Advertising, Marketing and Selling Surplus Equipment"



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JACOBS & STANTEC SAVE \$634,000 THROUGH RECOVERY

ABCSI has completed furniture liquidation for Jacobs, a California based engineering firm.

The furniture consisted of 7-year old Haworth Race Systems. Initially, Jacobs thought it would cost them \$20,000 to have the furniture removed. After just 50 days of planning, ABCSI was able to get them \$12,000 by finding a buyer for the furniture resulting in \$34,000 savings to Jacobs.

Stantec, an architectural firm in NC, saved over \$600,000 by purchasing the Haworth Race system refurbished rather than new as they had planned.

Not only does this type of liquidation save corporations money, "It keeps all that furniture out of a landfill and greatly reduces carbon emissions by reusing furniture. Our goal is to keep everything possible out of landfills

and really dedicate ourselves to matching sellers and buyers so we can reduce, reuse and relocate items," said Michael Lombardi, President of ABCSI.



Putting America's Assets Back to Work!

ABOUT ABCSI

AB Commercial Services, Inc. buys and sells 2nd-hand and surplus commercial assets including furniture, telecommunications, office equipment, audio/visual, data & call centers and warehouse. Our objectives are two-fold:

Keeping our clients' pockets a little *greener*
and our landfills free of good re-usable equipment.

Call us today to learn how **ABCSI** can mitigate these expenses and optimize your asset recovery with regard to your waste and second-hand assets. Time is money in our industry. Let us know when you ink a deal for new equipment or lease to relocate a facility. *It is never too early to plan.*

www.ABCommercial.com

AR NEWS

3111 Forest lane
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New Business: (801) 766-5523
Purchasing: (610) 203-3262
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**HOT
BUY**

EAMES, HERMAN MILLER LEATHER CHAIRS: \$475/EA

Herman Miller Eames available as options on executive models.
Leather Seating Charles the management and
and Ray Eames

Leather Seating

Charles and Ray Eames gave this chair an innovative suspension that creates a firm, flexible "sitting pocket" that conforms subtly to the body's shape. They created that suspension by stretching a continuous piece of seat-back upholstery tautly between lightweight aluminum side ribs. 2-3/4-inch-thick foam cushions make for comfortable sitting. Pneumatic lift and tilt lock are



A chair designed in 1958 as outdoor seating still manages to look both classic and contemporary in 21st century interiors. Individually upholstered cushions. 2 3/4 inches thick. Brightly polished aluminum. Arms, frames, and bases. Executive and management models have seat-height and tilt-swivel adjustments.

Available on June 1st while inventories last.