iPad Total Cost of Ownership:

the Benefits

and Cost Savings

of a Hardware

Refresh

All technologies have a shelf life and a perceived value at each "birthday."

What that value is and how quickly it depreciates depends on the device purchased. This is not surprising news, but what is surprising is that oraganizations and schools are losing out on tremendous value simply by delaying their technology trade-ins.

Many conduct their device refreshes over the summer or towards the end of the year when students and teachers are not present or when an office may be less busy.

The problem with this timing is that the buyback market is flooded with devices from schools doing the same thing. And, you don't need to be an economics major to understand that when the supply is high, the demand is less, which means the value of devices is depressed.
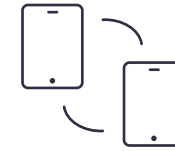
Jamf, the standard for Apple in the Enterprise, and **Diamond Assets,** the standard Apple buyback partner for schools and organizations, collaborated to answer common iPad buyback questions, such as:

- When is the best time to turn in old devices?

- Which devices retain the highest residual value?

- How do I prepare for a technology refresh?

- How do I onboard my new devices?

- How can I better predict future technology costs and optimize technology investments in a financially sustainable way?

Device refresh 101

If you're anything like your peers, you are evaluating your technology on an annual basis to determine if it's time for a refresh. With new technology, the reliability, performance and battery lifespan of the hardware goes up, while the support and resource costs typically go down.

Technology refreshes are commonplace

The days of pen and paper are coming to an end, as employees, teachers and students rely more heavily on access to the latest technology and software to power work and learning environments — be it in-person or remote.

Now more than ever, organizations and schools are looking to bring true digital opportunities to all. What makes this even more important is that not all have access to the same technologies at home — with some not having access at all. A digital program in the classroom or at work helps level the playing field and provides digital equity for everyone.

When is the best time to refresh?

If you get nothing else from this e-book, you should understand that waiting until the summer to conduct your technology trade-ins does a disservice to your budget, users and IT staff.

If schools refresh in the fall or spring, as opposed to the summer, they get ahead of the depreciation hit and market downturn that happens in the summer when the market is flooded with devices. And the same goes for organizations that don't put off hardware refreshes until the end of the year.

Circling back to our technology shelf life, generally a device is more valuable in the spring than it is in the summer. Refreshing devices ahead of summer delivers a higher residual value for devices, lowering total cost of ownership (TCO) in the process.

A flexible buyback option minimizes the impact on IT, learning and work, as not all devices are refreshed at once.

Traditional Technology Refresh of 10,000 iPad Devices

When	iPad Value	Residual Value	Additional Residual Value
May	$110.14/iPad	$1,101,400	+ $131,000
June	$107.38/iPad	$1,073,800	+ $103,400
July	$104.70/iPad	$1,047,000	+ $76,600
August	$102.08/iPad	$1,020,800	+ $50,400
September	$99.53/iPad	$995,300	+ $24,900
October	$97.04/iPad	$970,400	——

Flexible Trade-in Option of 10,000 iPad Devices:
### 2,500 iPads per Month over Four Months*

When	iPad Value	Residual Value	Additional Residual Value
June	$107.38/iPad	$268,450	
July	$104.70/iPad	$261,750	
August	$102.08/iPad	$255,200	+ $54,225
September	$99.53/iPad	$248,825	
Winter Months	~$98.00/iPad	$980,000	——

Technology considerations

All too often, budget-holder employees think about spending money on technology devices as annual capital expenditures that are "spent down" from a budget. This can yield the behavior of buying less expensive, inferior technology or hanging onto devices past their prime usable lifecycle to save money. While a lower upfront cost may be enticing, better equipment and the right refresh timing provides schools with the lowest TCO on their devices due to the devices' higher residual value.

When a "use them until they die" approach is taken, students, teachers and employees suffer because they cannot take advantage of the latest features and software that are only available on newer hardware. Plus, this prevents schools and organizations from leveraging the residual value of devices to help defray or buy down the next round of technology.

As K-12 school districts feel increasing pressure to justify technology costs, the goal for some is to save money in the short-run. This has led to an influx of low-cost education technology alternatives to iPad, such as Google's Chromebook — but at the cost of what's best for the education experience. When schools are mindful of the bigger picture and focus more on long-term sustainability, they provide a better experience for students, while also positioning themselves as sound financial stewards.

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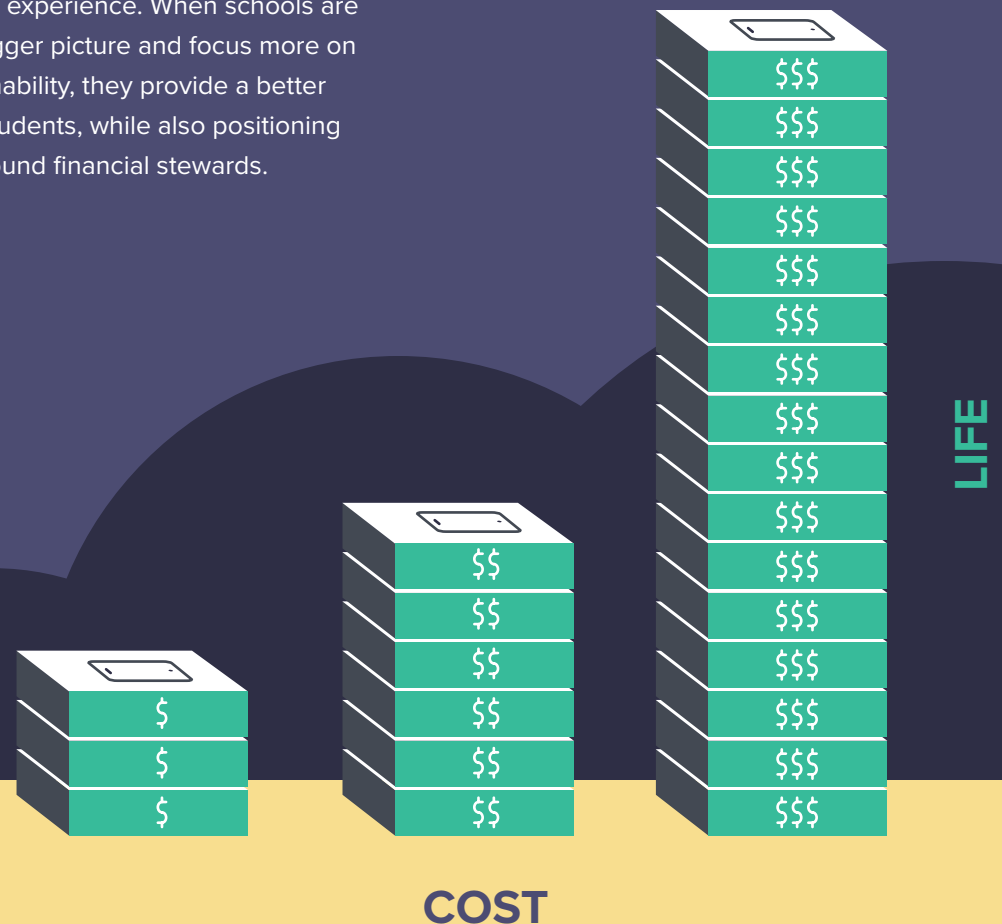
COST

The education technology truth

Chromebook appears to cost less when compared to iPad, but this is often not the case when looking at TCO.

Originally released in 2010, iPad is tailor-made for education, with a seemingly infinite supply of education apps and resources, along with an unmatched education ecosystem. With Apple's steady release of new iPad devices and operating systems, 2020 is poised to be a big year for iPad refreshes. This gives schools an opportunity to evaluate new technology and consider selling and upgrading.

The same cannot be said for schools leveraging Chromebooks. Based on the lack of current market demand, a two-year old Chromebook is only worth about $10, compared to $145 for the same age iPad. When projecting out two more years, Chromebook's value diminishes to zero, while iPad still has a trade-in value of about $80.

When it comes to TCO, iPad typically costs less than Chromebook after three years. With residual value entirely on its side, iPad helps schools get the most from their investment (for a much longer period of time than Chromebook), and provides significant value towards new hardware purchases.
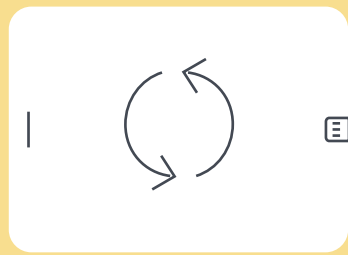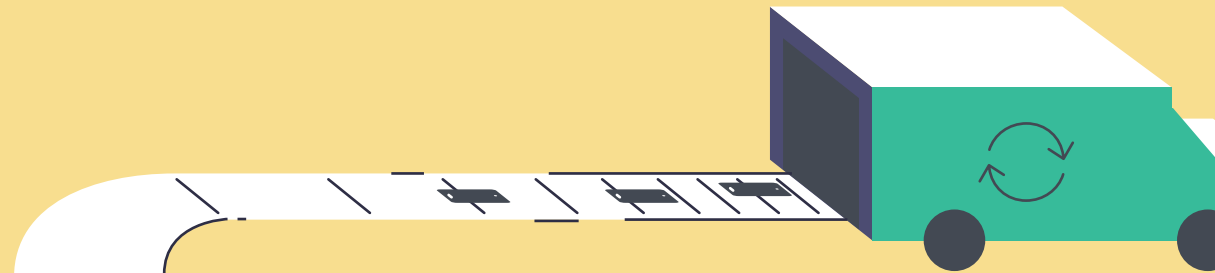
Cost

$294

$249

$145

$100

$80

$65

iPad Total Cost After 3 Years: **$194**

Chromebook Total Cost After 3 Years: **$244**

$10

$5

$0

$0

2yr buyback

3yr buyback

4yr buyback

5yr buyback

For device orders of magnitude, leveraging an equipment buyback and four-year lease option marginalizes annual spending and creates a predictable annual capital outlay, rather than alternating years of heavy and light spending on technology.

Unpredictable budgets are often the primary reason that large capital expenditures on technology get sidelined and technology isn't refreshed more often. However, when schools and businesses view technology like any other essential operational expense, such as electricity, internet connectivity and water, it becomes a planned expense instead of a "nice to have." Financing gives oraganizations a smaller, predictable budget for devices because the cost is fixed over the term of financing — typically four years.

With all of this in mind, as well as the superior learning environment that Apple offers versus Chromebook, leadership needs to understand TCO and re-think their approach to technology spending.

How to sell older iPad devices

By selling used devices to technology buyback companies like **Diamond Assets**, organizations are able to put money toward their next technology purchase — lowering the total cost of the next wave of hardware.

The selling process is a simple one. See if your buyback partner has integrations or instructions specific to your MDM platform. If not, IT must follow these steps to prepare devices for resale:

- Use their MDM solution to run an inventory report of the device serial numbers to give to a vendor such as Diamond Assets

- Remove enrollment token from Apple Business Manager or Apple School Manager

- Disable Activation Lock

- Remove student Apple IDs (dependent on your school's Apple ID model: device-based or user-based assignment)

- Wipe the device and reset to factory settings (ensuring no student data is ever shared)

All of this can be done with and automated by a mobile device management (MDM) solution. Organizations can even leverage MDM to turn on Lost Mode, allowing them to uncover any missing or late iPad turn-ins.

What is MDM?

Mobile device management is Apple's framework for managing iPadOS devices, such as iPad. MDM helps schools deploy new devices, gather inventory, configure settings, manage apps or wipe data on a device.

What is Apple Business Manager?

Apple Business Manager consolidates Apple's deployment programs to allow organizations to automatically deploy Mac, iPad, iPhone and Apple TV devices directly to users — configured with settings, security controls, apps and books.

What is Apple School Manager?

Apple School Manager consolidates Apple's deployment programs and is exclusive to education. Apple School Manager is a simple, web-based portal for IT administrators to manage people, devices and content all from one place.

What is Activation Lock?

Activation Lock is an iPad feature designed to prevent device theft. Activation Lock ensures that an Apple ID and password are both required to access the device. MDM allows for the management of Activation Lock and empowers IT to institute an Activation Lock Bypass Code to unlock the device.

Following these steps, Diamond Assets will take care of the rest by:

- Providing your school with a device purchase quote
- Add a Clarity CSV to help track the device refresh cycle in Jamf Pro
- Scheduling a time for Diamond Assets employees to inventory, pack and transport devices
- Completing a reconciliation report of devices
- Paying you for your old hardware

Schools then can work directly with Apple to purchase new technology devices.

DIAMOND*ASSETS*   **Clarity**

Who is Diamond Assets?

- A trusted Apple hardware buyback partner with years of experience working directly with schools to design effective and efficient device refresh plans

- Exclusively focused on Apple buybacks, Diamond Assets helps schools maximize the residual value of their Apple devices

- Offers coaching to help guide customers towards a cycle of financial stability

- A national service provider serving all fifty states.

See how the Clarity by Diamond Assets and Jamf integration puts device refresh data at your fingertips.

Read Now

How to onboard new iPad devices

With new iPad devices purchased at a lower rate due to the buyback money put towards the technology, it's important to identify a team that will conduct the device onboarding. This team should create an onboarding plan and consider logistics, personnel capacity and the end users.

Much of the onboarding and deployment process can be automated once again by utilizing an MDM tool. With an MDM solution like **Jamf Pro** or **Jamf School**, you can partner with the customer support team to help prepare your environment, get devices enrolled into management and run inventory reports to ensure everything went off without a hitch.

To migrate the data from old devices to new, leverage iCloud for a quick path to device data restoration. However, there are other methods of data migration. Consult your mobile device management vendor's support team to choose the method best for your environment.
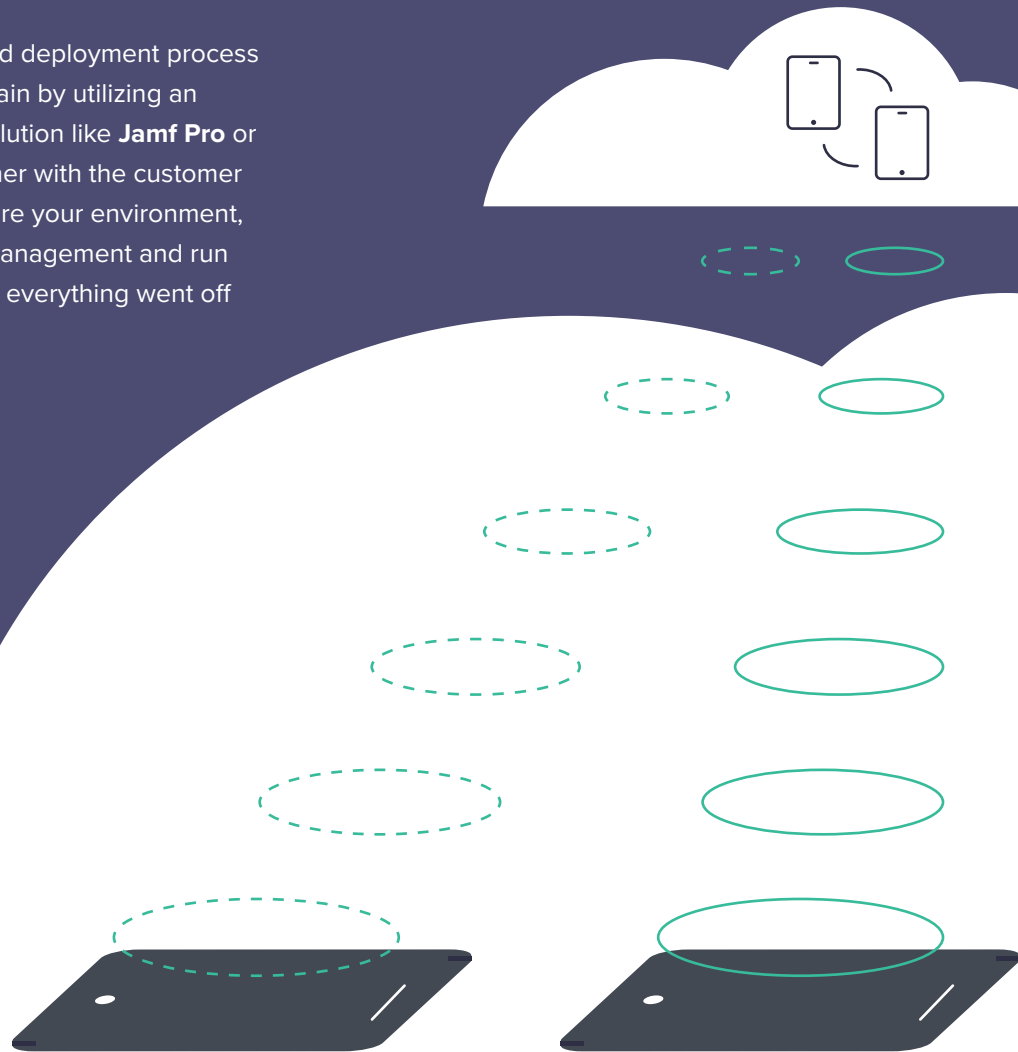
Plans and procedures for iPad trade-in success

Beyond 2020, schools and organizations need to map out their sustainability plan for the future and begin treating technology as an operational expense instead of a capital expense to have more predictable fixed costs. A partner like Diamond Assets can help develop the right sustainability plan for your needs.

With a plan in place, you can make educated decisions on what is right for the budget, and when it's time to give employees, students or teachers the newest in technology so they can best meet their goals.

Given the advancement in Apple deployment programs, such as Apple School Manager and Apple Business Manager, and increased MDM functionality, refreshes and deployments are more manageable than ever before.

Regardless of timing, Jamf, Diamond Assets and Apple can move quickly to ensure device refreshes have little to no impact on learning or work.

With an iPad refresh strategy and the right Apple management solution, schools and organizations can be confident of a seamless transition. Then, IT directors can sit back while the budgets and users reap the rewards.

jamf

Ready to get started?