Laboratory Equipment Re-sale and Re-use in the University Sector



Company: UniGreenScheme

Innovative business model type: Electrical

equipment re-use

Sector: Electrical

Company size: Micro

Product or service: Collection services for scientific products, which are re-sold for re-use







Key Facts

- Based in the UK, UniGreenScheme collects, stores and sells surplus equipment for UK universities and returns them a share of the profits.
- The REBus pilot gave the model a chance to prove itself before significant investment was required.
- The pilot quickly demonstrated an enormous potential for reducing waste.
- Over the duration of the pilot, the opportunity to establish a strong circular economy in the resale and re-use of equipment between universities and other sectors became apparent.
- To date, the service has prevented 36 tonnes of waste, returned over £30,000 to universities, sold over 1,000 scientific instruments and generated £100,000 in revenue.

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Introduction

UniGreenScheme is an award-winning asset resale service for UK universities. Within university facilities, research equipment and other assets often fall out of use. The current practice is to store surplus equipment in the hope of future re-use, but over time this leads to an accumulation of outdated instruments. Money is wasted on utilities, servicing and depreciation, and valuable and expensive laboratory space is wasted.

Surplus equipment often accumulates on windowsills and lab bench space, where it may sit unused for many years.

"Buying used equipment can reduce capital costs of a laboratory by up to 40%, so there is a real opportunity to develop a circular economy through resale."

Michael McLeod, Founder and Managing Director, UniGreenScheme

REBM for re-use

The goal of the project was to bring an asset resale service to market so that university equipment waste could be reduced.

If a financially viable system could be established, then a share of the profits could be delivered to the university laboratories in exchange for their surplus equipment, making this an incentivised re-use service.

Why REBus?

"I wanted to reduce equipment waste in universities. I knew what I wanted to achieve but understood that there was so much to do and that I needed help. REBus seemed like a fantastic place to get that support."

Michael McLeod, Founder and Managing Director, UniGreenScheme

The REBus delivery team helped overcome many barriers that were presented during the pilot. For example, procurement difficulties had delayed the service launching for around nine months. But with the help of REBus, UniGreenScheme created a framework agreement that could sit alongside any universities standard supplier terms and conditions, so were more easily adopted within a few weeks.

REBus also helped advise UniGreenScheme in implementing a safe system for handling laboratory equipment. This included the use of protective equipment and correct decontamination processing.

"I am confident that without the delivery team we would have never reached the level of operation that we are currently at. Without question, we would be at least four to six months behind where we are now, still trying to resolve barriers that REBus helped us overcome very quickly."

Michael McLeod, Founder and Managing Director, UniGreenScheme

View a one minute summary video of the service.



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Pilot

UniGreenScheme first ran a pilot in two of five colleges (Engineering and Life Sciences) in a large UK university. It set out to discover what the volume of saleable equipment was, what the average market value of the items were, and what the scale of the market for used equipment was.



The company had little idea what to expect in terms of results, but suspected there was an opportunity for a large, financially-viable, resource-efficient business model. They wanted to demonstrate that viability and in turn be able to return a profit.

The pilot evidenced strong demand, with a feasible economic case. During the course of the pilot, UniGreenScheme scaled up to serving 10 UK universities.



"The customer validation is so strong. We get phone calls almost every day from a new university wanting more information or asking to trial our services. We have been making consistent steady growth and the financials look good; it seems the right time to scale up."

Michael McLeod, Founder and Managing Director, UniGreenScheme

Overcoming barriers

Waste legislation can be confusing and, for some time, UniGreenScheme was unsure as to the status of the items it was redistributing on behalf of universities. According to Defra's Waste Guidance at the time, the products are not classified as waste, yet customers still frequently question the regulations.

Once cleaned and tested, these items, found in storage, were worth almost £5,000 each.







"There were so many barriers thrown at us by universities, it became difficult to keep moving forward. REBus helped us when things got really difficult. Eventually we were able to really drive change in the market."

Michael McLeod, Founder and Managing Director, UniGreenScheme

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Results

As the pilot progressed, the true potential of the service began to emerge. Universities are not only able to stop paying to dispose of valuable electrical equipment but also recover value from unwanted products whilst reducing waste.

"During the pilot, UniGreenScheme helped to prevent over 36 tonnes of waste, recouping a total of 327m² of valuable space and preventing a potential 21.5 tonnes of CO₂ emissions."

Michael McLeod, Founder and Managing Director, UniGreenScheme

The initial objective was to successfully bring a product to market that diverts unwanted equipment at the point of waste disposal into resale. However, the service works on a number of levels and provides much broader benefits.

Facilities Managers' benefit from recouping space and generating revenue for surplus assets. Procurement teams benefit from reduced expenditure on waste disposal, and assistance in meeting financial savings targets. Environmental services benefit from easy achievement of waste reduction targets and reduced utilities. The scheme also provides a collated dataset, including the potential CO₂e benefits.

All university stakeholders benefit from equipment being re-sold rather than paying for waste disposal wherever possible.

Next steps

UniGreenScheme is now expanding to other sectors including research institutes and GP surgeries. In addition, it is actively seeking to expand it's equipment sale channels having already sold equipment into nine UK universities.

The company has already expanded its operating base to a new, $5,000^2$ feet premises, and is likely to upscale further in the near future. It has recruited 10 new members of staff but plans to recruit more to help manage the expansion.

Currently, 23% of sales are made in Europe and UniGreenScheme is actively looking to expand its resale service as well as its collection and resale services in the future.

Lessons learned

Perseverance and a relentless desire to succeed were critical in moving the project forward. Time management was also crucial, in particular the time taken for complex negotiations with organisations, such as universities.

In addition, the company determined that assessing the financial offering and marketing the service to procurement could be a better first step with new universities.

Advice to others

"Sell your service to the person who pays for it – such as the procurement department – not just to the person who wants to use it."

Michael McLeod, Founder and Managing Director, UniGreenScheme

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REBus is a project delivered in partnership with:











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Case studies were generated as a result of pilots carried out for REBus by WRAP or RWS and the named organisations from 2013 to 2016.

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