

What You've Always Wanted to Know About Xerox Build Status But Never Dared to Ask

As we explain in the accompanying text, Xerox has a policy of remanufacturing copiers and then placing them back in the market on the same terms, and with the same prominence, as equipment that is brand-new. These days, the company does disclose the build status of its copiers, but it uses language that is not very intuitive. For example, a machine called a "Factory Produced New Model" turns out to be a remanufactured derivative of an old one. To guide you through the jungle, here are Xerox's official definitions and our comments.

(1) "Newly Manufactured"

This is defined as: "Equipment that has been assembled for the first time from new parts; it may also contain some used components that have been reprocessed to new-part standards."

Xerox's lawyers appear to take the position that up to 20 percent of a copier (measured in value) can be made of reprocessed parts without the whole machine being called "remanufactured." We have not seen this 20 percent figure in writing, but it has been told to us by several sources at Xerox. But measuring the 20 percent can be an inexact science, as there are a number of gray areas when it comes to actually determining the proportion and value of the parts that are not brand-new.

(2) "Factory Produced New Model"

This second category is something of a misnomer, in our opinion, as the machines in this category are not brand-new. They are trade-ins that are remanufactured and substantially enhanced in the process. They are likely to contain reprocessed parts that take them over the magic 20 percent level referred to above.

The official definition of this category is as follows: "Xerox equipment that has been converted to New Model status, and maintains features and/or functions of the previous model and adds new features and/or functions not available on the previous model. The New Model has been disassembled to a predetermined standard established by Xerox and manufactured to New Model status. It has a new serial number. The New Model contains reprocessed and/or recovered parts that fully meet new product specifications."

Translation: Xerox is saying that these are remanufactured machines that, during the remanufacturing process, are converted into different models from their previous incarnation (namely, they

have different model numbers), such that the new models are clear descendants of the old ones but have additional features and/or functions (a "function" seems to be defined as a fairly fundamental feature).

The use of the word "new" is confusing. Xerox argues that it applies to the features and functions, which give rise to a new model number, rather than to the core hardware around which the machine is built. Fair enough, but this meaning is hardly intuitive — most reasonable people would naturally assume that the phrase "Factory Produced New Model" means "brand-new."

(3) "Remanufactured"

The third Xerox build classification is defined by the company as follows: "Equipment that has been disassembled to a predetermined standard, then reassembled by adding new parts and some used components which have been reprocessed to new-part standards. With remanufactured equipment, the features, functions and model number remain the same."

That's a reasonable definition, and Xerox could add to this the fact that some enhancements take place during the remanufacturing process, reflecting design changes that have been made to the model since the original unit was produced.

Astute readers may already have deduced that a category-three "Remanufactured" Xerox may, in fact, be a newer copier in one sense than a category-two "Factory Produced New Model." For example, a model that is traded in two years after it was built is more likely to go through a category-three remanufacturing process and retain its original model number. However, a six-year-old trade-in is more likely to be transformed into an enhanced new model and, hence, be given a new identity — thus it would be a category-two "New Model." However, the older machine (that is, the "New Model," if you see what we mean) will probably have more new parts. Get it?

A point to keep in mind is that not one of the build status categories — which among them cover all Xerox copiers — guarantees that a machine is brand-new, containing no remanufactured parts. You will recall that the "newest" category of all — "Newly Manufactured" (category one) — does allow for up to 20 percent of parts to be reprocessed. But the key thing to remember is that Xerox claims to build all the machines to the same quality standards. We believe that claim. ✍