STEPuP

Good Practice Case Study

Template

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**Compuritas**

Austria



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**Short description**

Compuritas is an Austrian company based in Graz which was founded in 2009. The mission of the company is the following:

Compuritas refurbishes high quality business IT hardware to on the one hand side reduce electrical waste and on the other hand side to make high-quality computers and other IT equipment available to schools, associations and clubs as to individual at a reasonable price. Following this mission Compuritas contributes to the reduction of the digital gap of children and individuals.

From the beginning on it needs to be clarified that Compuritas is not an NGO but a for-profit company following a social cause/minimizing a social problem. Compuritas has become an important player for educational organisations given the fact that due to the covid-19 crisis, it is the first time that the public is well aware of the digital gap (people having educational and professional disadvantages because of the lack of accessibility to IT hardware and infrastructure) due to social imbalances and actions need to be taken. This is where Compuritas supports with providing refurbished hardware IT equipment to those in need at a reasonable price.

The company currently employs 5 employees. Out of these 5 employees there are two full time equivalents, two part-time equivalents and one trainee/apprentice.



1. **Social problem**

Compuritas is basically tackling two social problems connected to today’s society.

First, given the fast pace of today’s business world, the majority of business hardware devices are used only for three to five years for tax and economic reasons. Then the hardware business devices are replaced even though they are in perfect condition and fully functioning. Compuritas is then buying the devices from companies or receive them as a sponsorship to refurbish them. With the deletion of date and the refurbishment of the hardware provided it is possible to reduce electric waste on the one hand side.

Second and on the other hand side, this hardware is then provided for a reasonable price to schools, educational associations and clubs and even private households to close the digital gap that is more than ever apparent in today´s society.

So, through the social business model of Compuritas electric waste is lowered and different target groups have access to decent priced IT hardware for educational purposes. Further, all technical equipment sold by Compuritas has an extended guarantee of 24 months to increase the trust in refurbished IT hardware and the durability of it.

In addition to what has been presented above it also needs to be mentioned that Compuritas has recognized that the Austrian population, in comparison to the German, is less open to the topic reusable devices and that people are not well informed about grey energy, also known as production energy, and the impact it has on the environment.

This is perceived as a societal problem as Austrians tend to renew their electronics on a regular basis even though they are not broken but because a supposedly “newer and better” product is on the market. This is the result of years of marketing that channeled peoples´ habits over time. But since Compuritas has been in business they have seen slight improvements in the habits and openness of consumers.



1. **Founders’s Profile**

The company was founded by Rüdiger Wetzl-Piewald in 2009, who in the meantime has handed the company over but he is still in close contact with the current CEO. Rüdiger is now the CEO of the social business club in Graz/Styria/Austria. Through his new role in the social business industry, Rüdiger is still able to help and guide Compuritas on their journey.

The current CEO, Matthias Di Felice, started his journey at Compuritas as a student studying to become a teacher. Matthias originally enjoyed his education in IT at the Higher Technical Institute (HTL) and during his studies, he worked at Compuritas where he and Rüdiger kept on working on the business idea.

Matthias and Rüdiger recognized the potential of their idea and wanted to expand the business and were looking for some investors. Compuritas was one of the very first companies being successful in the Austrian TV start-up show 2 minutes 2 million (similar to Dragons´ Den) which boosted the company and its reputation in Austria. Given the increase of publicity Compuritas was one of the first companies in Austria to participate in crowdfunding. Through the participation in the show and crowdfunding, Compuritas had the capital to open their first store in Graz.

Summarizing, due to the founder as well as the current CEO being innovators and first movers in the field of social entrepreneurship, not only with their business model but also with their business practices, Compuritas is today a well-known business contributing to the minimization of social problems.



1. **Social Mission**

The business idea emerged about after Rüdiger was in Brazil and recognized that a lot of children were excluded from the digital world and in addition they could not afford the access to education which is eased through IT devices and infrastructure. After being back, Rüdiger started his research about the situation in Austria realized that the same problem was also prominent in Austria. In order to minimize this problem Rüdiger started to investigate on the usage journey of business IT hardware devices and what he found out was the basis for the Compuritas business model.

The mission of Compuritas: Austrian companies usually only use the highest quality hardware. These devices are characterized by their durability, thus long warranty period and high performance.

After 3-5 years, these devices are regularly exchanged and are in principle in perfect working order.

This is exactly where Compuritas comes in. Compuritas takes over these high-quality devices from companies, conduct the most extensive tests according to international standards with these devices, delete all data reliably and verifiably and then equip them with the latest software.

Budget shortage in schools and clubs is no secret. New computer equipment is expensive and this often results in insufficient equipment and overworked teaching staff and IT support staff.

Individually adapted offers, tailor-made solutions and good advice characterize the service of Compuritas. A long warranty period on all equipment creates the necessary confidence.

The advantage of refurbished equipment is the quality and performance at a fair price. If a refurbished device is bought, then an enormous amount of resources is saved and the environment can be protected.

The driving goals of Compuritas are, as already mentioned, also incorporated in their mission to refurbish IT devices (hardware) to prolong the usage of professional equipment to reduce electric waste and enhance the accessibility to reasonable price and perfectly working IT devices to enhance the access to education.

The offers/ services of Compuritas include:

* Rollout management and certified data destruction - Compuritas takes over the hardware of companies and deletes data reliably and verifiably.
* Employee programme for IT devices – Compuritas supports companies in selling hardware to their employees and take over the whole management as well as the data destruction.
* Configurable offers - Whether ready to use with pre-installed complete image of the desired software or empty, memory upgrade or SSD hard disks, Compuritas tailors their offers individually to the needs of the target groups.
* Large quantities - Compuritas always has large quantities of the same model which allows the target groups such as school to equip their institution in a uniform way to save administrative effort.
* Quality guaranteed – Compuritas´ standard offer is to always have a 24-month warranty directly with the company itself. Warranties are also possible for longer periods with additional costs.
* Convenient shopping - Convenient shopping on a company´s favourite portal. Compuritas takes care of the rest as they deliver free of charge throughout Austria, once ordered via the Compuritas webshop, the BBG portal or Stifter-helfen.at.



1. **Value Proposition**

The beneficiaries of Compuritas are their customers as well. On the one side companies selling their hardware devices are customers and beneficiaries given the services offered by Compuritas for this target group. On the other side, educational providers such as schools, clubs and associations and private people are also customer and beneficiaries because the Compuritas refurbished products´ can be purchased up to 70% cheaper than in conventional stores where explicitly new devices are sold. In addition to that, the customers receive first-class service and high-quality refurbished products. This is where the value for the customer base lies.

The value proposition of Compuritas can be seen in the lifecycle extension of computer hardware and therefore reducing electric waste and ensuring access to IT hardware. Generally, the concept is already successful in other countries around the world but in Austria it definitely can be seen as an innovative approach given the limited awareness and acceptance for refurbished products.

The main revenue streams for Compuritas are the sale of the refurbished devises to the different target groups and also the services offered to companies aiming to sell their “outdated” hardware devices. This is the profit part in their social business model that ensures reaching a break-even point at the end of each fiscal year meaning that they are operating on a sustainable business model that enables them to be financially independent.

In addition, Compuritas also tries to acquire grants from various funding sources to increase their business capacities but until now no long-term grants have been acquired. This is because they classify themselves as a social business and not as a socio-economic company which would have its main focus in the employment of people and not on generating profit to have an impact on social problems.

Further, Compuritas cooperates closely with the Ministry of Environment and the environmental education centre in projects where they try to contribute and/or give input on topics like reusable devices. Currently, Compuritas is involved in an initiative of the Ministry of Education which tries to give access to IT hardware to pupils to improve their access to (online) education. This initiative came to live due to the Covid-19 crisis.



1. **Social impact**

The impact of Compuritas is social-ecological as the company aims to increase the access to education and to raise awareness on the topic refurbished devices as a new alternative to support the responsible handling with the available resources on the planet.

Compuritas follows the Social Reporting Standards in order to measure/monitor their impact. As these reporting standards are quite extensive, many working hours need to be put into the reporting. Therefore, the depth of the reporting is somehow dependent on the available working hours. Still, measuring/monitoring the impact achieved is important to the company and thus, yearly reports are produced. One indicator that is used to measure their impact, amongst others, are CO2 values. With this information, they can then calculate how much CO2 they have reduced with each product or investment. The calculations are all done according to the social reporting standard and are published in an annual report depending on if they have the time and resources to publish that.

In other words, it can be said that each refurbished computer saves on up to 11kg chemicals, 120kg fossil fuels, 750l water and 550kg CO2 emissions, compared to the production of a new device.



1. **Key Success Factors**

In the year of 2013, the company restructured its legal form and increased the number of their services. The company started with a workshop and gradually grew having their own retail store and production facilities. Today, Compuritas exports their products to 3 countries namely to the Czech Republic, Germany and Italy, whereas Italy is in the trial phase at the moment.

Their key partners, given their business model and explained already earlier on, are companies and organisations renewing their IT hardware/devices on a regular basis and on the other hand side, educational organizations such as schools, associations and clubs as well as private people in need of IT equipment with limited financial resources.

One of the mistakes Compuritas made was their approach to the market. In the beginning, they put too much emphasis on their social and ecological impact and not on a sustainable business. They soon learned that B2B marketing is essential for their future success and adapted their approach. They also made mistakes in the hiring process of employees and did not invest wisely in this area. They invested a lot in training and education of several employees but the trained employees never remained in the company for a long time which led to a loss of resources. They have then learned from this mistake and are now employing apprentices which has proven to be a successful strategy so far.

Compuritas contacts potential partners mainly through cold acquisition via phone calls and emails but also events are essential to the company, especially for building up networks and increasing awareness. Given the increase in awareness among the target groups and the quality of services/products offered the reputation of Compuritas is constantly increasing.

1. **Crisis Management**

Generally, it needs to be said that through the Covid-19 crisis and the quickly arising need to close the digital gap to get access to education, Compuritas was able to strengthen their position and increase awareness of the apparent problem among Austrian pupils. Through a cooperation with Teach for Austria Compuritas was able to supply children who did not have a computer at home and therefore could not participate in online lectures. Through this campaign they can fulfill their core idea of reducing the digital gap in Austria.

Further, because of this situation the products of Compuritas were demanded more than ever.

This also enabled the company to continue with their business online and also with the production in their headquarters, certainly with the security measures needed, as the product were demanded in large quantities.



1. **Potential Recommendation**

Compuritas has understood how to be resourceful and through this mindset, they are able to help thousands of people without access to computers which often leads to access to education.

The business model of Compuritas is definitely one that can also be translated to the South-East Asian context, especially as many multinational companies already have headquarters there and the usage of IT hardware usage is very similar than in Europe or the US – renewal is cheaper than re-use for companies.

Adapting the business model to the Thai/Burmese context could enable these countries to reduce the societal problem – lack of access to education.

**Acknowledgements**

Sources of information:

* <https://www.compuritas.at/>
* Personal interview with the CEO, Matthias Di Felice