

## CHANNELNOMICS SUCCESS STORY

- ✔ Customer Experience & Retention
- ✔ Opportunity Creation & Channel Engagement
- ✔ Sustainable Practices & Strategic Planning

# Poly Redefines the Value of Technology

March 2022

As employees return to offices after months, and in some cases years, of working from home throughout the COVID-19 pandemic, employers find themselves facing new workforce challenges. Among them is the need to upgrade office equipment to the same standards workers became accustomed to while working from home. This new reality has led to a surge in buying as evidenced by record PC sales in 2021, which jumped 14.8% over 2020 despite industry-wide supply shortages.

Buying new gear, however, is only half the battle when it comes to modernizing workplaces. What to do with older equipment is posing an equally difficult task for many IT and business leaders. Sensing an opportunity, Poly developed a voucher program that's accelerating new sales and accommodating older equipment with great success.

Here's how.

## Background

Poly, which emerged from the 2018 merger of Plantronics and Polycom, is one of the world's leading providers of communications and collaboration equipment. It develops headsets, business phones, videoconferencing gear, software, and more. Spurred by the demand for products to enhance the work-from-home experience, Poly saw a sharp increase in sales in 2020 and 2021.

Sensing the shift in demand would extend to the office environment as employees returned to their traditional workplaces, Poly calculated that a



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- 📍 **Website:** poly.com
- 📅 **Year founded:** 2018  
(Plantronics: 1961; Polycom: 1990)
- 📍 **Headquarters:** Santa Cruz, Calif.
- 👤 **President & CEO:** Dave Shull
- 👤 **VP of Global Channel Sales:** Nick Tidd
- 💰 **Revenue:** \$1.73 billion (fiscal-year 2021)
- 📦 **Product segments:** Voice and video solutions

significant number of customers would find themselves sitting on a mountain of older business phones whose capabilities weren't suited to today's workplace demands.

## Change Imperative

While prevailing market conditions presented significant opportunities, Poly faced challenges. Price erosion was



creeping into Poly's world thanks to a large number of devices that were making their way to the market for used and recycled equipment (aka the secondary market). Many devices were turning up there even though customers had, in many instances, signed a destruction certificate to properly dispose of used equipment.

Every time a used piece of equipment turned up in the secondary market, more pressure was put on prices of new Poly gear. Sensing it could miss out on a once-in-a-decade opportunity, Poly began developing a program that could both stimulate demand for new technology and create a fiscally responsible and sustainable way to dispose of older products through authorized business partners.

## Solution

Poly's work led to the creation of Poly Renew, a voucher program specifically targeted at Poly customers with older Poly VVX and CCX phones. Companies willing to recycle their used Poly phones through authorized dealers would receive vouchers to buy new replacement equipment at discounted prices.

To get started, customers go online, view how much they'll receive for each device they return (prices range from \$10 to \$60 per device), and apply for an RMA from Poly. Participants in the program must submit at least 25 devices, but there's no maximum limit on how many products can be exchanged.

Once a customer obtains an RMA, they connect with an authorized Poly Renew partner to arrange for the return of their used equipment. (Partners in the program can either fetch old Poly phones or have customers bring the phones directly to them.)

From there, partners use an online portal to facilitate the return of the phones to Poly, which will then issue rebate vouchers for new products customers may need. The portal also allows users to track their vouchers and order progress, which is especially helpful given vast supply-chain issues worldwide.

Poly ensures that the new products it offers customers are in stock prior to offering vouchers. If a desired product isn't available, the portal alerts the user. Customers can monitor availability by tracking the voucher's coupon codes and, if necessary, extend the term of a voucher. (As of this writing, vouchers are good for 120 days and available in North America only.)

The trade-in program is also a means of fueling the refurbished market, which has gained more traction recently because of supply-chain issues. After receiving used equipment, Poly refurbishes devices that are suitable for reuse and resale. Devices deemed to be too old to sell are recycled, and individual components that have residual value are returned to the value chain.

After the phones go through Poly's refurbishing processes, partners can export refurbished products to other markets such as Brazil, India, and elsewhere that have high import duties. Though partners must abide by local regulations, the program offers them another way to make a profit.

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Because the trade-in program enables Poly to sell both new and returned, refurbished products, it gives the company and its partners twice the opportunity to make a profit.

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## Results

While Poly is seeing increased partner and end customer engagement, the Renew program is still in its early stages. Preliminary data shows that the program has generated significant new business and enhanced customer stickiness. Because the trade-in program enables Poly to sell both new and returned, refurbished products, it gives the company and its partners twice the opportunity to make a profit.

There's more: One of the key benefits of the program is improved warranty management. By managing its



refurbishment program itself, Poly is bringing some standardization to warranty claims. This is because products refurbished by third parties have different price and warranty structures, which can cause confusion for end users who believe they're receiving a manufacturer's warranty for used equipment.

The program also helps reduce the number of Poly products that wind up in the grey market, where used Poly products are often misrepresented as new. Low-

cost used devices sold as new equipment drive the price point of genuine Poly products down and fuel the rise of low-cost platform sellers that operate low-cost e-commerce sites, wreaking havoc with authorized resellers that better support Poly customers.

Poly believes that its philosophy and strategy around protecting the end user and ensuring sustainable disposal are winning propositions that will result in benefits for customers and partners.

## CHANNELNOMICS PERSPECTIVE

Poly has created a compelling trade-in program that's opening doors to new sales opportunities. By collecting used devices, Poly not only removes an impediment to new sales but also collects old gear that may yet have some residual value in terms of after-market sales or used parts. With Poly Renew, Poly is generating improved customer loyalty, practicing sustainable device disposal, and fostering increased dialogue between partners and customers.

The sustainable nature of the program reflects Poly's commitment to social responsibility. As companies continue to adapt to new technologies, Poly anticipates that device lifecycle management and, by extension, Poly's voucher program will become central to partner and customer behavior. Other vendors facing a rapid shift in technology demands could soon look to emulate this model.

## About Channelnomics

Channelnomics is a business strategy and research firm focused on connecting channel professionals with the people and insights that enable them to continually evolve and operationalize their strategy.

Our industry experts work with clients to provide the economic evidence they need to validate and structure their strategy. Our clients, in turn, benefit from improved GTM performance, faster time to market, and better return on partner relationships. By looking at the technology market from the viewpoint of vendors, partners, and end users, Channelnomics is uniquely positioned to develop route-to-market strategies with an innovative, insightful, and inspired flair.

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