

A woman with long dark hair, wearing a grey patterned top, is smiling and looking at a tablet. She is in a server room, with her hand reaching into a server rack to plug a blue cable. The background shows server racks and a blue overhead structure.

ZONES™

IT Asset Disposition 101: The Ultimate Guide

Consider **IT** done.

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Introduction

Dismantling your aging or end-of-life IT equipment is easier said than done.

Not only do you have to grapple with complex logistics and device lifecycle management issues, but you also have to circumvent the risks associated with a possible breach of data security and environmental regulations.

When it comes to decommissioning your aging IT equipment, you are likely to ask yourself the following questions:

- Will our End-of-Life equipment end up in landfills?
- Does our retired equipment have any extractable value?
- How can we protect our valuable data when dismantling our outdated IT assets?
- Do we understand the environmental regulations?
- How can I get a trustworthy ITAD vendor who adheres to regulatory standards?

Considering the abovementioned concerns, this E-Book is a perfect point of reference if you are looking for a hassle-free, eco-friendly, and data-security-proof approach to IT Asset disposition.



What is ITAD?

IT Asset Disposition or ITAD is the practice of reusing, recycling, or dismantling redundant and unviable IT equipment in an environmentally sustainable manner. It ensures the safety of the company's data by negating any unscrupulous use of end-of-life equipment.

Data sanitization and IT asset recovery are critical objectives of ITAD - enabling organizations to expunge sensitive data from end-of-life storage media and maximize value extraction from decommissioned or excess hardware.

The need for a responsible IT Asset Disposition

According to the World Economic Forum, currently, 50 million tons of e-waste are produced every year. This figure is slated to double by 2050, which can be attributed to the rise of IoT.¹

Moreover, the onset of the hybrid working model and e-learning has significantly increased the number of retired assets. In an ecosystem where environmental sustainability has become a major talking point, repurposing decommissioned IT equipment is worth gold – and without a well-thought-out ITAD approach and solution, companies may fall behind their sustainability goals.

Understanding device decommissioning

With product lifecycle getting shorter and the need for innovation at an all-time high, organizations need to upgrade their IT equipment, but at the same time, decommission or dismantle their outdated assets. But here's the catch. If done carelessly, decommissioning can lead to both environmental and legal ramifications. For instance, dumping your end-of-life equipment into landfills can invite data thefts and snatch the opportunity to recover any possible value from dismantled assets.

Therefore, choosing the right ITAD partner to help decommission your data center is critical. You should focus on these key areas as you embark on the journey of ITAD:

- **Inventory and Documentation** – Every piece of equipment leaving your data center should be tracked and put through data security filters with accurate reporting, audit trails, and logging.
- **Compliance** – Besides complying with industry, corporate, or electronic recycling regulatory standards, you must adhere to the policies of the General Data Protection Regulation (GDPR), Environmental, Social, and Governance (ESG), etc.
- **Data Sanitization** – Sanitization procedures are crucial in ensuring that security is maintained because there is a real possibility of a breach occurring during decommissioning. Sanitization cannot be ignored, from careful handling of all media to intensive data wiping across all gear.
- **Refurbishing and Reselling** – Recovering as much value from your equipment as possible is a critical component of the decommissioning process. With refurbishing, it is possible to get your high-value equipment ready for resale.

Failing to focus on the aforementioned areas may incur hefty financial losses and dent your organization's reputation.



Breaking down the advantages of ITAD

- **Green IT** - IT asset lifecycle management reduces the consumption of natural resources. By extending the usefulness of your equipment, you can make them accessible to people and organizations that cannot afford new ones.
- **Value Recovery** - Professional ITAD companies ensure you don't miss out on any opportunity to leverage your end-of-life equipment. They have well-built direct sales channels that can help you recover the maximum value from your assets.
- **IT Tracking** - Judiciously tracked IT inventory ensures compliance with data and environmental regulations and transparency in value recovery.

The complexities of tech-based asset management

Given how easily organizations are moving their data and tools to Cloud and how quickly employee devices are proliferating in a “Work from Anywhere” world, IT Asset Management is not an easy nut to crack. It becomes even more complex during mergers and acquisitions.

Security teams are often not included in the initial M&A discussions. It can lead to poor outcomes, especially when the security standards of the target company are poor and pose a risk of cross-contaminating the assets of the purchasing company. It can derail business operations, employee boarding, and technology integration.

Asset transparency and visibility become even more complicated when the sole purpose of the acquisition is to subsume the target company’s technology stack – because it calls for evaluating not only the target company’s internal IT architecture but customer-facing solutions as well.



Managing the end-of-life (EOL) devices

From servers to laptops and mobile phones, end-of-life (EOL) equipment are a source of risk in most organizations.

Most businesses have a strategy for replacing equipment every two to four years in order to lower the total cost of ownership (TCO). This offsets security threats caused by outdated devices and simultaneously elevates employee productivity with state-of-the-art devices and technology.

It's essential to keep track of devices approaching their end-of-life (EOL) from a single unified dashboard to make the onboarding of new devices seamless. You can keep track of critical device information (warranty information, serial number, manufacturer, model, etc.) to conduct risk and cost analysis to determine when EOL actions are required.

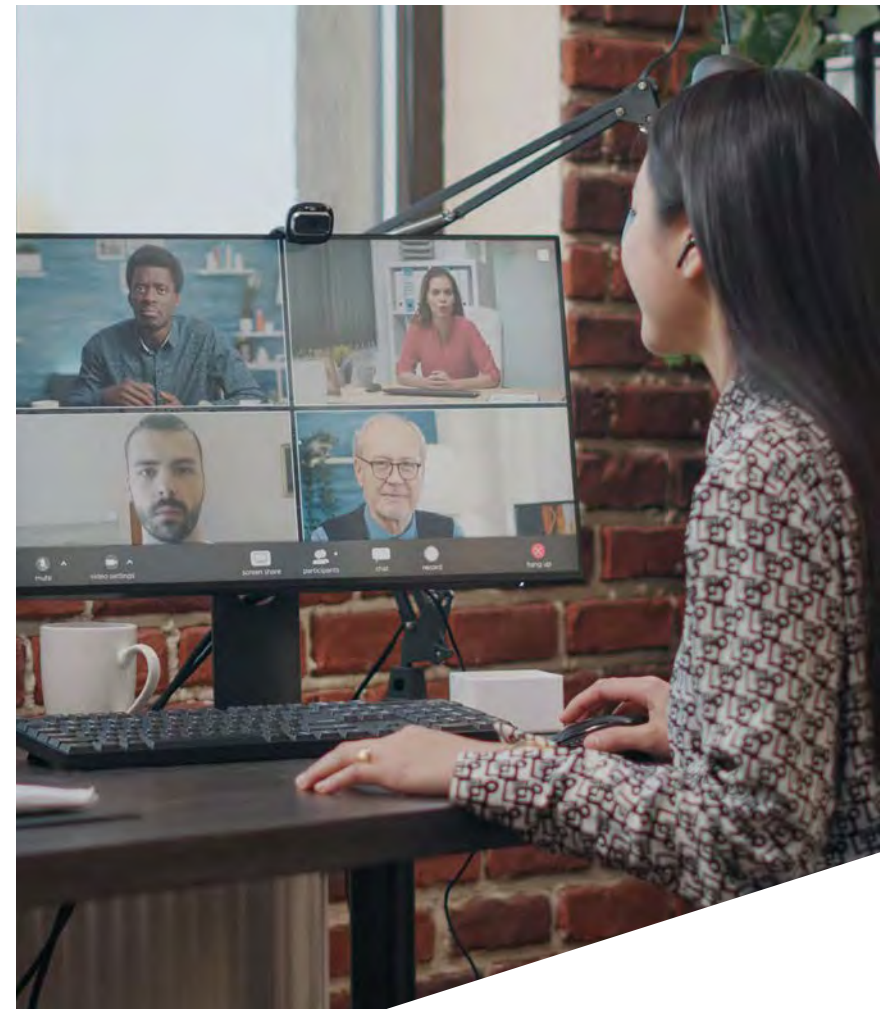
The value addition of ITAD in a hybrid-work model

With the hybrid workforce model becoming the new standard, conventional desk-side support is on the decline, and there is a greater focus on self-service. That being said, the deployment, recovery, and lifecycle management of devices are still high-touch activities. IT teams have to struggle with a device lifecycle that, in some cases, includes multiple rounds of recovery and redeployment.

On top of this, they are required to manage the e-waste stream and EOL devices responsibly, which becomes a strenuous task in a globally distributed workforce.

This is why the hybrid workforce model has generated an unprecedented demand for ITAD services for seamless value recovery, tracking, and compliance. According to a study by Global Industry Analytics² and DSA Connect:

- ITAD market is expected to touch **\$24.5 billion by 2026**.
- **83%** of UK IT directors are convinced that ITAD services will see many more takers.
- **69%** of IT directors indicated a rise in the demand for data erasure services in the coming years.



The role of ITAD in data security

The poor management of e-waste poses a number of data security threats. Globally, a data breach is thought to cost an average of \$3.86 million. Privileged information is compromised in about 80% of security breaches (PII). The number of events involving data breaches has increased by 76% during the last two years. This necessitates the implementation of data security policies and risk management plans across all company sectors and industries³. These plans, strategies, and policies can be materialized with the help of compliant and secure ITAD services.

Data security should be top-of-mind when disposing of your end-of-age IT hardware or recycling your electronic equipment. The right ITAD approach not only insulates your organization's data but also helps you protect the confidentiality of customers and clients. It can protect you from a costly data breach with real-time portal access, serial number tracking, and a dedicated client success representative.

How organizations can use ITAD to address data breach concerns

Offsetting The Cost of Data Breach: In the event of a data breach, there is always a ripple effect, regardless of whether you are getting ready to replace your outdated IT infrastructure or decommission a data center. The loss of reputation, customer trust, and confidence are other non-tangible expenses that organizations have to bear. A brand may need years or even decades to recover from this. On top of that, lawsuits, monetary penalties, the potential loss of internal intellectual property, and other negative financial impacts can all tag along.

Compliance Risk Management: Compliance Risk Management is the process of assessing and minimizing potential losses resulting from a company's non-compliance with both internal and external policies and procedures. Every industry has its own set of regulatory

standards. There are General Data Protection Regulation (GDPR) and state requirements in relation to data destruction and security protocols.

Chain of Custody, Logistics, and Asset Tracking: Understanding the chain of custody and identifying the breakdowns in the chain is essential when disposing of EOL devices. This entails securing every stage, from logistics to shipping to track, as the asset moves through data wiping, refurbishing, and disposal processes. End-to-end visibility is crucial throughout the entire process, and your ITAD partner can provide expertise and support on this front.

Data Sanitization: Cutting corners is not an option when it comes to the security of your data when you're

getting rid of outdated hardware, managing e-waste, and recycling your devices. Making data permanently unrecoverable—whether through physical destruction or data erasure—is crucial, and you must hold your ITAD partner to high standards in this regard.



ITAD and environment and regulatory compliances

No company or organization wants to be associated with irresponsible, unsafe, and hazardous recycling practices. Most have environmental policies that set standards for recycling and conservation throughout the enterprise—but these standards don't always take into account the recycling of retired IT assets.

Moreover, federal and state environmental regulations hold a company liable for non-compliant recycling practices even after it has transferred its IT equipment to a vendor that claims compliance.

It's no longer acceptable to lose track of your retired IT assets after your ITAD vendor picks them up. Finding a vendor that is open about its practices is a step in the right direction. Still, given the risks associated with environmental non-compliance, you can't be sure whether your vendor is handling your company's retired IT equipment properly. Therefore, choose an ITAD provider certified for safe and compliant electronics recycling by a leading third-party organization, such as R2.

Finding a certified recycling, remarketing, or data destruction vendor is the most reliable way of ensuring your partner is committed to doing the right thing for the environment and worker health and safety. The genuine ITAD vendors constantly audit their downstream partners and provide documented proof that all the material is being processed in compliance with all laws and standards.



Challenges in ensuring effective ITAD

No matter how one approaches it, developing and implementing a good IT Asset Management program is challenging.

Conventionally the ownership of the program falls into the hands of the IT department, which then faces the stern task of communicating with other stakeholders, including Procurement, Environmental and Risk Management, Logistics, Finance, Compliance, and Security.

IT asset disposal is a meticulous process for securely disposing of retired IT equipment. Organizations must develop a thorough procedure for inventory reconciliation, remarketing, and ethical recycling of decommissioned IT equipment.

Here are the roadblocks that may put a brake on your ITAD program

Lack of Comprehensive ITAD policies: Organizations often lack policies and gumption to initiate the asset disposition process.

Budgetary constraints: There is no dedicated budget for the disposition of IT assets, as it is perceived to be too expensive, especially by small and medium-sized enterprises.

Inadequate in-house capability: Organizations often lack in-house resources having adequate experience in handling ITAD processes such as data sanitization/ destruction, refurbishment or reselling, etc.

Regulatory compliance: As data security is the biggest driver of IT Asset Disposition, there are various standards and guidelines to abide by, such as NIST 800-88 and DoD (Media Sanitization Guidelines), and R2:2013/e-Stewards Certified Recyclers.



How can Zones ITAD services help?

Zones provide certified asset disposal and secure data destruction services for obsolete or unwanted tech devices coupled with restock offerings. Backed by strategic partnerships, decades of logistical expertise, and multiple fulfillment centers around the world, we are fully compliant with all major regulations & guidelines like NIST 800-88, DoD media sanitization guidelines, and partnerships.

Here's the breakup of our ITAD services:

1. Data Destruction

- We provide secure data destruction adhering to DOD 5220.22m standards
- We physically crush non-functional hard drives, rendering the drives unreadable
- We issue the required certificates

2. Refurbish & Reuse

- We make sure that equipment is rendered fully functional, clean, and repackaged before stocking in Zones TSC
- Redeployment of refurbished units is available for deployment on demand

3. Equipment Disposal

- We only work with R2- & e-Steward certified recyclers
- We ensure safe, compliant & environmentally friendly disposal
- We maintain a complete and accurate log of equipment received and disposed

4. Remarketing

- We enable the resale of retired equipment under a revenue-sharing agreement
- We strive for the highest resale value by working with known resale partners

5. Diagnostic & Repair

- We facilitate a unified service center for customer's heterogeneous technology environment
- We ensure in or Out warranty repair of a customer's defective IT equipment
- Defective products are shipped to our repair center



The future of IT Asset Disposition

The IT asset disposition market is slated to register a **CAGR of 7.4%** during the forecast period of **2022-2032**.

It is anticipated to touch US\$ 31.8 Billion in 2032, from US\$ 15.6 Billion in 2022. From 2021 to 2022, the industry experienced a Y-o-Y increase of 7.6%⁴

The following factors are tied to the forecasted market expansion.

- The need for strict data security compliance with environmental regulations,
- The need to store assets in inventory for remarketing,
- The need to maximize asset value recovery,
- The growing enterprise usage of electronic devices such as mobiles, laptops, and tablets.

Digital transformation is happening at a rapid pace as organizations look for new ways to use IT services. Increased cloud adoption across industries is the result of trends like remote working, and enterprises are figuring out their exit routes from data centers.

Therefore, it is important for businesses to design the best asset value recovery strategy for getting rid of their outdated IT hardware, which can either be reconditioned or disassembled for recycling. Reselling reconditioned goods lowers the overall ecological effect while also increasing the return on investment.

It is particularly significant given the current state of the economy, in which having access to technology has become essential. Refurbished gadgets offer low-income communities access to technology that can be utilized for social interaction, business, and education.

Beyond environmental considerations, an IT asset management and disposition program must also be financially sound. It should adopt a holistic strategy, covering everything from the organization's equipment acquisitions to how they get rid of extra assets.

Business leaders have the chance to change their throwaway culture by appropriately managing and recycling this garbage. An ITAD program is a great strategy to support these sustainability objectives and aid in the solution of this global issue.

Sources

- ¹ <https://www.weforum.org/agenda/2019/01/how-a-circular-approach-can-turn-e-waste-into-a-golden-opportunity/>
- ² <https://www.prnewswire.com/news-releases/global-it-asset-disposition-itad-market-to-reach-24-5-billion-by-2026--301333581.html>
- ³ <https://securityintelligence.com/posts/whats-new-2020-cost-of-a-data-breach-report/>
- ⁴ <https://www.futuremarketinsights.com/reports/it-asset-disposition-market>



Ready to upgrade your IT infrastructure? Let our IT Asset Disposition Services take care of disposing your old equipment safely and responsibly. From secure data destruction to compliance assurance, we've got you covered. Contact us now for a personalized plan and to schedule your ITAD consultation.

BOOK A CALL

Visit **zones.com** or call **800.408.ZONES** today.

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