



# THE C-SUITE EXECUTIVE'S GUIDE TO ITAD

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## INTRODUCTION

For as long as organizations have been investing in new IT assets, they've also been retiring the old ones—all the servers, hard drives, laptops and other data-bearing IT devices that have reached their end of life.

Formally, this process is known as ITAD—IT Asset Disposition. ITAD has always been a necessity, but frequently not viewed as a priority. However, that's now changing.

This Executive Guide to ITAD looks at this shift and what it means for CIOs and other C-suite executives focusing on three key factors: (1) what's now driving the demand for ITAD; (2) why it's critical to make ITAD part of overall Asset Lifecycle Management (ALM); and (3) the core ITAD services to focus on when deciding whether to do ITAD in-house or rely on a third-party ITAD vendor.

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## WHAT'S DRIVING THE DEMAND FOR ITAD

While there's always been a need for ITAD, here's why it's now on about every CIO and tech executive's radar:

**Volume:** Computers once took up whole rooms; most organizations had just one (if they had one at all), and they lasted for years. Now—thanks to relentless, semiconductor-led miniaturization, shorter product cycles, the rise of cloud services, the rapid growth of mobile and Internet of Things (IoT) devices and more—the number of new IT assets that get acquired and old IT assets that get retired has increased exponentially. Then add in the post-pandemic surge in IT spending as organizations reconfigure offices for social distancing and remote working. Given all of this, is it any surprise that electronic waste—e-Waste—is today's fastest growing stream of waste?<sup>1</sup>

**Sustainability:** The dramatic escalation in the amount of e-Waste coincides with a greater global concern over carbon footprint. Sustainability and the circular economy are now getting board-level attention. Some 90% of S&P 500 Index companies now publish sustainability reports, a percentage that's been steadily increasing over the years. While cloud migration and tech refreshes are the triggers that make companies dispose of old IT assets, supporting environmental sustainability goals is the number one reason they turn to ITAD.<sup>2</sup>

**Legal/compliance:** The focus on sustainability coincides with increased legal and regulatory responses to the threats that careless management of old IT assets pose to both the environment and data security. In the United States, some 25 states plus the District of Columbia have adopted laws on IT recycling (and in some cases on data security as well), establishing penalties for disposal

<sup>1</sup> A New Circular Vision for Electronics: Time for a Global Reboot, World Economic Forum, January 2019

<sup>2</sup> IT Asset Disposal and Corporate Sustainability, IDG MarketPulse Research, April 2020

processes that are mismanaged. Ontario, Canada has started enforcement of its goal to achieve 70% recycling of e-Waste by 2021. In Europe, the Waste Electrical & Electronic Equipment (WEEE) and General Data Protection Regulation (GDPR) both include provisions for proper disposal of IT devices.

## MAKE ITAD PART OF ASSET LIFECYCLE MANAGEMENT (ALM)

New business mandates supporting sustainability goals and compliance requirements have led many organizations to rethink their approach to IT Asset Lifecycle Management (ALM)—making sure that technology resources are used as effectively as possible and that organizations have the systems in place to meet current demands and future needs.

A comprehensive approach to ALM typically involves activities such as procurement, deployment, administration, performance optimization and continuity planning. IT asset disposition has always been a phase of ALM, but traditionally not accorded the same level of attention as, for example, asset deployment. Now that has changed.

In addition to sustainability and data security concerns, there is also a recognition that responsible disposition is now a sensible business decision on its own terms.

Today's product life cycles may be shorter, but IT assets can have a useful lifespan of many years. Remarketing or redeploying them can lower Total Cost of Ownership.

## DOING ITAD IN-HOUSE OR VIA A THIRD-PARTY PROVIDER

There are many aspects to ITAD—it can include asset identification, transportation, testing, data

sanitization, value recovery, etc. The specific ITAD services that any one organization requires will vary based on considerations such as the scale of the undertaking (number of IT assets, locations, etc.), legal/compliance requirements and the organization's level of commitment to sustainability goals.

These considerations and others will also impact the organization's decision on whether to do ITAD in-house or engage a third-party provider. Many organizations set out to manage ITAD on their own only to discover that given the resources and specialized skills required, they are better off using a third-party.

To determine in advance which path is right for your organization, experts (such as Gartner) have identified the following as the three tasks that can determine the success of an ITAD undertaking: (1) transportation logistics/chain of custody, (2) data sanitization and (3) recycling.

Evaluating your resources in these areas is the key to making an informed in-house vs. third party decision.

### Transportation Logistics/ Chain of Custody

At the core of any ITAD undertaking is the identification of the IT assets to be retired, followed by pickup and transport to the location where they will (at least initially) be processed.

A reputable ITAD vendor will accomplish these tasks with (1) employees who are part of their organization (i.e., are not outsourced) and (2) vehicles equipped with a wide array of security devices such as alarm systems, locking mechanisms, driver proximity controls and dual key ignition immobilizers.

Just as important as the secure pickup and transport is the establishment of a chain of custody: a record documenting the who,

when and where of anyone who came in contact with the IT assets. This is the key to establishing that the ITAD process was in fact responsible from an environmental and data security standpoint. This typically involves identifying each asset with a scannable tag that supports tracking at key transition points. An auditable workflow also helps to ensure that if a mishap does occur, it can be quickly caught and rectified.

### **Data sanitization and hard-drive destruction**

As part of any ITAD process, devices must be purged of data (i.e., sanitized) and rendered inoperable. This will prevent unauthorized disclosure of data and is required whether the device will be remarketed or recycled.

Accomplishing this task successfully involves proven procedures and specialized software and appliances. Just deleting, reformatting, or resetting the device may not actually remove the data. Even a seemingly complete physical destruction can still leave large portions of the data in place, regardless of whether the drive itself is inoperable.

Whether you are undertaking ITAD in house or via a provider, you should also be able to demonstrate via certification that the data was sanitized to common industry standards, such as the U.S. National Institute of Standards and Technology (NIST) Special Publication 800-88.

In addition, to minimize chain-of-custody security risks, many organizations (especially in the financial and healthcare sectors) require that some or all of the

data sanitization be performed on-site prior to any transport taking place. This requires specialized equipment.

### **Recycling and component recovery**

Reducing the amount of e-Waste that ends up in landfills requires either remarketing existing devices for reuse or, when that's not possible, reclaiming and recycling serviceable components and recoverable raw materials.

The ability to successfully remarket IT assets is determined both by its residual value as well as by the size and scope of the remarketing network.

A reputable ITAD vendor should have access to a remarketing network that maximizes value and includes multiple channels such as end user sales, proprietary auction networks, partner channels (e.g., system integrators, VARs, consultants, and maintenance companies) and wholesalers.

## **CONCLUSION**

ITAD should be accomplished in a way that provides data security and supports environmental and business goals. Failure to comply with the growing number of regulations and laws surrounding IT assets and data security can have serious consequences. CIOs and other IT executives need to look carefully at whether they have the internal resources and expertise to do ITAD right.

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### **ABOUT IRON MOUNTAIN**

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