Sustainable and environmentally-friendly initiatives are more important now than ever. Working with a reputable organization or an experienced provider that specializes in IT asset disposition (ITAD) can help an organization achieve those goals.

The Importance of Working with a Global ITAD Provider for a Comprehensive Asset Life-Cycle Management Strategy

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Questions posed by: EPC Inc.

Answers by: Susan Middleton, Research Director, Flexible Consumption and Financing Strategies for IT Infrastructure

Q. What is IT asset disposition (ITAD), and why does it matter?

A. IT asset disposition is the process of disposing of unwanted electronic equipment in a responsible manner. Proper ITAD programs ensure organizations mitigate risk, minimize cost, and maximize value recovery. IDC expects this market to grow at a 2% CAGR by 2024, fueled by companies' security concerns about end-of-life disposal issues. These concerns are powered by two key considerations: increasing awareness of the role that IT asset recycling and disposal can play in meeting companies' sustainability goals and the financial penalties associated with not meeting regulatory compliance rules for IT asset decommissioning. In a recent IDC survey, 68% of respondents included IT recycling and asset disposition in their sustainability policy, underscoring the importance of employing an ITAD strategy to meet sustainability goals. IDC observes that investment and interest in sustainability initiatives are increasing as organizations publicly commit to sustainability goals to reduce their carbon footprint, a move driven by both employee and customer pressures.

Q. Why is selecting a global ITAD provider an important issue for IT asset life-cycle management?

A. A top concern for all organizations is security, regardless of country or physical location (i.e., edge, datacenter, and cloud) and whether the organization leases or buys IT assets. IDC defines edge as the technology-related actions that are performed outside of the centralized datacenter, where edge is the intermediary between the connected endpoints and the core IT environment. Characteristically, edge is distributed, software defined, and flexible. This apprehension about security reaches beyond data protection to include equipment decommissioning plans. Recent IDC surveys bear out the importance of safe and secure decommission practices and working with a vetted organization that can meet all regulatory requirements and ensure secure decommissioning. These services should include secure data wiping of all hard drives, environmentally responsible disposal practices, and tracking of all assets from decommission to disposal. In an IDC study of 300 U.S. businesses, ensuring the safe and secure disposal of assets was the top reason that

respondents gave for leasing instead of purchasing IT assets. Whether you lease or purchase your IT assets, the importance of security in all aspects of the technology ecosystem is understood; recognizing that it is also critical in end-of-life processes is not, which underscores the importance of educating organizations about both safe decommissioning practices and selecting the right ITAD provider.

Once an organization selects an ITAD provider, it should establish a comprehensive plan and budget for IT asset decommissioning to reduce future unplanned costs. Having a plan based on both useful life and economic life metrics also enables organizations to capture the untapped residual value of IT assets to help fund future investments. IDC surveys indicate that many organizations opt to return IT equipment to the vendor or an ITAD provider, but these practices are not being widely adopted on a global basis. Lack of planning leads to valuable IT assets ending up in a warehouse or in a landfill, exposing organizations to both data breaches and financial penalties.

Q. Why is it important to choose a reputable source for global ITAD?

A. IDC research underscores that a well-formed IT life-cycle management policy offering a repeatable and consistent framework for replacing and renewing IT assets will reduce IT operating costs. It also provides businesses with peace of mind and reduces the risk of financial penalties for not meeting compliance guidelines. Recently, Morgan Stanley was fined $60 million for failing to properly decommission two wealth management datacenters in 2016, underscoring the risks and penalties associated with not implementing a comprehensive ITAD strategy.

Working with an established global ITAD provider that has both regional and local certifications offers additional protection from possible violations of regulatory compliance rules and significant financial penalties, which can vary not only by country but also by local government. This is one of the key benefits of choosing a reputable global ITAD provider: The ITAD provider will vet all regional and local suppliers within the chain of custody. Additionally, IDC recommends that global organizations with operations in multiple countries should work with an ITAD provider that has committed resources in all the same regions and locations.

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Q. What is the circular economy, and what is its connection to ITAD?

A. The circular economy is a different way to do business, and it is making companies rethink everything from how to design and manufacture products to their relationships with customers. The concept, introduced by the Ellen MacArthur Foundation, challenges us to rethink how waste from one process can be redefined as a resource for another process. One of the model's biggest differences is the customer's role. The focus is no longer on consumption but on the use of an IT asset. This change places different demands on the business community to build long-term relationships in its business models. The advantage is that companies benefit from each other's success in this cascade of different cycles.

While making this shift is a challenge for organizations, it also brings new opportunities in infrastructure, energy, and production as businesses adapt to fit the circular economy model. Thinking in a circular manner should span from how IT equipment is designed to how it could be repurposed for another role and then eventually recycled. A good first step for organizations that want to shift to more sustainable practices is to consider IT equipment providers that incorporate circular design and manufacturing principles. Planning for secure device decommissioning and responsible asset disposition to reduce ewaste is the end of this journey.

Q. Why does working with a global ITAD provider improve sustainability metrics?

A. Awareness of the efficient use of resources is at an all-time high; 83% of U.S. organizations have a sustainability pledge in place, and this commitment directly influences their choice of vendor. An IDC survey indicates that 51% of U.S. respondents will work only with a vendor that has a commitment to sustainability, underscoring the importance of these goals to the vendor vetting process. These pledges are very important differentiators today, with sustainability goals playing an important role in vendor selection as well as employee attraction and retention. The ability to protect and safely dispose of IT assets is critical to ensuring data security and remaining compliant with relevant laws and regulations. Often, the retirement of IT assets is the weakest point in an organization's data security strategy, which is why IDC believes it's imperative that organizations align with a reliable and vetted ITAD provider. IDC research underscores that a well-formed IT life-cycle management policy must include end-of-life strategies that include working with a global ITAD provider to ensure that the decommissioning of all IT assets is handled in a secure and compliant manner worldwide.

About the Analyst

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Susan Middleton leads IDC's worldwide research on IT equipment, software, and services financing markets. As research director for IDC's Flexible Consumption and Financing Strategies for IT Infrastructure research, she provides insight from both a supply-side point of view and a buyers' point of view. Ms. Middleton's core research coverage includes the evolution of procurement models from purchasing, leasing, and financing to the new as-a-service models, also known as flexible consumption.

MESSAGE FROM THE SPONSOR

EPC, Inc. is one of the world's largest global ITAD providers. Organizations around the world turn to EPC for customized, secure IT disposal solutions to help them achieve sustainability goals and contribute to the circular economy. Our certified data security, remarketing and recycling processes follow all local, national and international laws and adhere to the strictest policies. Our globally-recognized certifications are proof that we are committed to the safety of our customers' data and the environment.

Our mission is to provide organizations around the world with a premium, flexible and secure strategy for sustainable IT disposal that delivers real return on their technology investment.

EPC strives to stay at the forefront of data security transformation and global sustainability initiatives to support our mission and the mission of our customers.

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