



# Making the Grade

## *Tips for Choosing an IT Asset Disposition Vendor*

When choosing an IT asset disposition provider, there are a number of criteria that you need to look at to ensure the vendor you select can meet your organization's needs when it comes to asset recovery and disposition, sustainability goals and data security. The best vendors are those that provide services that look at a variety of issues, including longer lifecycles, effective reuse, improved utilization and security, lower total cost ownership (TCO) and better sustainability. Here are some key qualities to look for when selecting a vendor.

### **Demand Zero Tolerance**

When choosing a vendor, ensure it adheres to a zero-landfill, zero-export, zero-incineration, and zero-prison labor policy for managing e-waste – with the technology, automated processes and infrastructure necessary to support those policies. The dirty secret of the U.S. electronics recycling industry is that most computers are not recycled, but merely shipped to developing countries where worker safety and environmental concerns are not regulated and toxins are released into the air, soil and water. According to the Basel Action Network as much as 80 percent of e-waste slated for recycling is being shipped overseas. Knowingly or not, many organizations are participating in this effort simply by turning their e-waste over to the lowest bidder.

Some of the best vendors hold their partners and downstream handlers to the same high standards of e-waste accountability, rigorously vetting their processes and conducting surprise inspections to ensure environmentally responsible disposal. True recyclers reduce a PC to component materials of sufficient purity to be used in manufacturing new products. The steel may come back as a Prius. The plastic may live again as a Hot Wheels car. Your recycler should be able to document the disposition of all materials recovered from your electronics, all the way to their reuse. If all you receive is a “certificate of destruction,” it's safe to assume your computers are on a slow boat to China.

### **Strong Asset Management Qualities Key**

A vendor with a strong asset management program looks at all possible ways to ensure longer lifecycles, effective reuse, improved utilization and security, lower TCO and better sustainability. An all-inclusive asset management system allows IT departments to be proactive in managing lifecycles

and accountable for the assets under their supervision. Vendors that utilize best practices and automated technologies to implement and manage processes for deploying, redeploying and decommissioning computer systems are also key. Depending on the vendor, some clients can realize a 40 to 70 percent reduction in asset recovery and disposition costs, while achieving 100 percent warranted data security and environmental compliance assurance.

### **Looking Out for Your Best Interest**

The best IT asset disposition providers are those that work with the organization to develop a program that ensures longer lifecycle of assets which can result in lower TCO and less environmental impact. Modern hardware has the processing power and reliability to be used 50 percent to 75 percent longer than the default three-year lifecycle that was defined by IT planners years ago -- and still enthusiastically embraced by equipment manufacturers today. The most efficient organizations are extending PC refresh cycles up to five years and saving tons of money. For instance, for every \$1,000 in original cost, extending a three year lifecycle to four years will save over \$325; go to 4.5 years, and the savings is nearly \$500. Extend a three-year lifecycle to five years, and the savings mounts to over \$650. While new electronics are markedly more energy-efficient than older models, many organizations are tempted to prematurely replace legacy systems. Equipment manufacturers are particularly good at making this look attractive. But in truth, the math seldom adds up when the financial benefits of a longer lifecycle are taken into account and never adds up environmentally when the impact of manufacturing a new device is included in the calculation. A responsible vendor will let your old systems live life to the fullest.

### **Making Security a Priority**

In the very near future, it is likely that every American business will be subject to some sort of state or federal privacy law. Because the cost of a data breach can add up to millions of dollars, controlling where regulated data is stored, how access is managed and how data destruction is ensured are critical components of controlling IT costs. By selecting a vendor that utilizes a data security process that ensures 100 percent verified destruction and auditable proof of results, your chances for a security breach greatly decreases. An

efficient operation with tight asset management controls will have the accountability that forms the foundation for security. High-security logistics and strict process control practices ensure assets are not lost or stolen in transit. Certified reporting provides the documentary trail and accountability required.

### The Need for Sustainability

With environmental awareness at an all-time high, there has never been a better time to implement programs that reduce an IT organization’s carbon footprint through more sustainable computing practices. A vendor that focuses on sustainable IT by helping organizations increase useful life of equipment and reduce the environmental impact of IT systems will help you in the long-term. If done properly, initiatives that increase IT sustainability have financial benefits that far outweigh the costs associated with the program.

### Look Beyond Remarketing

Some of the best vendors look beyond remarketing and have established programs that focus on charitable donations. Vendors that focus on this area can help organizations extend equipment life and reduce the number of computers entering the waste stream, while supporting corporate philanthropic



goals. Some organizations participate in the Community Microsoft Authorized Refurbisher (CMAR) program that provides low-cost software licenses to refurbishers that supply PCs to charities, nonprofits and educational institutions. Participants of CMAR, such as Redemtech, are able to administer donation fulfillment – directly or through its alliance with TechSoup, a one-stop resource to the nonprofit community for technology resources – and perform donation services at 40 percent of the cost estimated by Gartner. That savings, along with the higher resale returns generated by the vendor, can give clients the option of using remarketing revenue to fund charitable donations.

### Look at Vendor’s Certifications

Reputable vendors are those that go above and beyond the duty when it comes to establishing sound IT asset recovery and disposal processes. While there are thousands of companies involved in the collection, treatment and marketing of retired IT assets, only a few really make the grade based on certifications. These certifications help customers make better choices given the expanded regulations today, the fear of security breaches, and deeper concerns over the environment. For instance, only five organizations in the world, including Redemtech, hold IDC’s newly established Green Recycling and Asset Disposal for the Enterprise (G.R.A.D.E) certification for their IT asset recovery and disposal processes. This is not only the industry’s first rigorous vendor rating program, it’s also helps identify the most reliable service providers. Also look for vendors who honor the Electronics Recycler’s Pledge of True Stewardship, the world’s most rigorous environmental and social justice criteria for recycling e-waste set by the Basel Action Network. Also, if the company’s Environmental Management System (EMS) is certified and governed by the International Organization for Standardization (ISO) 14001 standards, it’s safe to say that the company’s EMS significantly exceeds all environmental standards required by law.

While reputation, clientele and cost are certainly important factors that you wouldn’t ignore when choosing an IT asset disposition provider, the services and capabilities of the vendor should be a lead determining factor in your choice – as it will play a key role in how successful your program is down the road.

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