

Becoming an ITAD Hero

Are You Getting Measurable Payback and True Value From Your Disposal Process

It's a fact – being an IT Asset Manager rarely gets the recognition it deserves. The rewards may be limited, the risks of the position may be greater than other IT positions, and when there is recognition, it generally only comes after something goes wrong. With “job security” being at the forefront of everyone's mind, maintaining the status quo may seem like a smart strategy.

But, what if you could find a way to be recognized for your efforts and do so without jeopardizing your position? What if you had detailed IT asset disposition reports that supported your organization's “green” initiatives and proved that a financial return could be realized from your retired IT assets? Could you actually make your IT department feel proud to be greener, and also be financially independent?

One IT Asset Manager's “Hero” Story

It's a scenario commonly seen in large organizations. A particular IT Asset Manager was over worked, under staffed, and focused on handling the disposition of his employer's retired IT equipment. He had an ITAD vendor who would regularly take the organization's computer equipment without charge. This vendor had a solid reputation for data security compliance and environmental responsibility.

If that was the end of the story, you'd likely be disappointed. There'd be no action, no moral, no happy ending, and no hero.

But that's not the end. For in this story, the IT Asset Manager knew there had to be a better solution for his company. He just knew that the three - to six-year-old computers that left his building had some value for someone. He believed these notebooks and desktops could find a more deserving home than a recycling center. Many of these units were completely operational, or possibly needed only minor repair. And if there were individuals, schools or businesses that could use these computers ... was he just watching cash walk out the door each month as the IT Assets were shipped

to his current vendor?

The IT Asset Manager gathered up the courage to mention his vision to his supervisor – “We should consider changing vendors.”

His supervisor was not intrigued. Everything was working fine; everything was easy.

“But what if we could find a vendor that would continue to enable us to meet our environmental and data security compliance requirements, and could also refurbish our assets, then sell them so we could share in the profit?”

The supervisor, realizing that the IT department could actually make money instead of being considered simply an expense center for the company, quickly became interested.

One week later, the IT Asset Manager showed his supervisor some data.

“Our equipment is worth something – even the computers that aren't working,” he explained. “There are vendors who will give us full reports, with details on what repairs needed to be done, what condition it was in, and what they sold it for. It would all be listed by serial numbers, so we could easily track it, then share in the profit.”

He continued: “Could being green and making green actually come together? Our computers could be reused in good homes, instead of recycled. We'd be helping the environment, and maybe we could even deliver ROI checks to management.”

They next conducted a vendor review and found there was a distinct difference between providers that recycled most of the assets they received and IT asset value recovery specialists that sought to remarket most of the assets. And so, they switched vendors.

Within months, their company received its first check, along with a complete IT asset disposition report that outlined the chain-of-custody, showed the retired computers by brand, model, configuration, grade, condition, repairs made, associated costs, the amount each unit sold for, when it was sold, and the net return on investment. They also learned

which customers bought the retired assets, and received a certification of data erasure, as well as a certification of environmental disposal by authorized no-landfill vendors for those older assets without remarketing value.

The supervisor was impressed – and so was the accounting department, the CFO, and the CEO. With his full reports in hand, the IT Asset Manager became a hero within his company, and set a precedent for being green, while also making green.



A True IT Asset Management Hero Story About GlaxoSmithKline

The IT Asset Managers at GlaxoSmithKline (GSK) faced a similar, real life situation. Employees had become familiar with the sight of abandoned IT equipment left out day after day. The company's regional service manager for IT User Services decided to rock the boat a little and coordinate a full reassessment of the existing ITAD vendors. Though the company had been reasonably happy with the various ITAD vendors used at multiple locations, it could not -- without detailed reports of its assets -- be sure if it had an optimized program. And, it was not aware of the ROI it could receive. After switching to vendors that could responsibly manage both its security and environmental needs, GSK launched an initiative to clean out older or "orphaned" equipment in multiple locations.

By recruiting a team of 35 volunteer employees it designated as "e-cycle champions", GSK went through 32 floors at its Philadelphia headquarters during the course of one week. The group gathered any computer or related IT equipment that had not been used within the past year. Close to six tons of computer equipment was gathered, saving office space and energy usage. As GSK's ITAD vendor, PlanITROI handled the logistics, audited equipment and provided details on asset valuations.

The Happy Ending

According to the GSK IT Asset Manager, "The number of assets that did have value generated a significant return back to GSK from the resale. The revenue generated from the U.S. alone in 2008 was more than \$1 million. Not only did GSK

realize a minimum savings of \$20,000 in electrical usage, while also reducing the company's carbon footprint, but the project enabled the IT department to become a more sustainable business unit within the organization.

GSK was nominated for -- and won -- Infoworld Magazine's coveted 2009 Green15 Award, which recognizes organizations of all sizes that reap both business and environmental gains through an array of sustainable IT efforts. One supporting factor for GSK winning the award was the details of its reports that documented the status of each asset, including the results of recycling and re-use. GSK was the only organization to win a Green15 Award for its IT asset end-of-life management program.

And yes ... the GSK IT Asset Manager became quite the hero within the company,



How Can You Become a Hero?

Ralph Waldo Emerson once said, "A hero is no braver than an ordinary man, but he is braver five minutes longer."

Many IT Asset Managers are ambivalent toward their current end-of-life solution. If a program meets company objectives for environmental and data security compliance, the expenses are limited, and the entire ITAD process is easy to manage, then they may have little motivation to change ITAD end-of-life vendors. If, however, their organization would consider coupling all the above with a financial return, then exploring other solution providers would absolutely be in order.

Some organizations may have an asset end-of-life program managed by internal staff, in which assets are sold through auctions. This approach generally consumes employee time, is hard to track and monitor, and nets a very small ROI. Some companies have their new computer OEMs bundle hardware sales with ITAD services. Much like trading in your old car for a new one, this is a convenient approach, but not the best financial option because money is left on the table. Plus, without the benefit of a full IT asset disposition report, IT Asset Managers don't know the full value and condition of the equipment they are turning in.

In addition, there may be no motivation to seek an IT Asset

Inventory Portfolio Analysis. This analysis provides projected remarketing values for assets currently deployed in an organization for one, two and three years into the future. With an IT asset disposition report in one hand and a forward-looking Inventory Portfolio Analysis in the other, IT Asset Managers can make informed decisions. The data also aids in the making of new IT asset purchase decisions based on projected values of certain brands, models and configurations.

Being an IT Asset Management hero will usually mean taking a closer look at your current ITAD solution and questioning whether your company can be greener while actually generating a significant financial return. It means going further than “not rocking the boat” and enjoying recognition for your diligence and contributions.

Any prospective ITAD vendor should be able to prove their ability to add value to your retired assets. They should have gained a Microsoft Authorized Refurbisher (MAR) designation. And, a Microsoft Gold Partner designation would further enhance your level of confidence.

Ask if your potential vendor is a major supplier to retail and e-tail outlets that pay maximum values for high quality, well refurbished assets, which translates to a maximum ROI for you. If your major brand name assets are refurbished to Certified Nusedsm standards -- which means they achieved a select designation based on passing a multi-point quality checklist for functionality and cosmetics -- they’ll likely command an even higher resale value.

By having accurate reports that track how each retired asset is refurbished, graded, and re-sold -- as well as how your environmental and data security compliance requirements have been met -- you can be confident that your ITAD provider is functioning more as a true partner and less as a vendor. Only through detailed IT asset disposition reports can you track each asset by serial number and see your ROI, line by line, and justify your department’s sustainability. A thorough report will show how the asset was made retail ready and sold at the highest profit for you.

As the 2009 IAITAM Conference theme pointed out, there are ways to “Bring Green Together.”

Has your ITAD partner made you a hero today?



Paul Baum
CEO
PlanITROI Inc.

Getting a Great ROI For Your IT Assets? And Meeting Compliance Requirements?

Now You Can.

PlanITROI is the leader in IT Asset Value Recovery. Our services address all compliance requirements and costs associated with the recovery and disposition of retired IT assets. All while providing industry leading financial returns.

