



Turn IT Rejects into Gold

Alan Radding February 3rd, 2011

Every company has, depending on its size, a closet, room, floor, basement, shed, or warehouse where they put electronic equipment no longer being used or wanted. What seemingly is IT trash—mainly old PCs and servers, but also storage devices, tape libraries, fax machines, copiers, even cell phones—has real cash value.

GlaxoSmithKline gathered up all that equipment and instead of sending it to a landfill (which is not legal—much of that stuff contains hazardous material that must be disposed of properly and documented) it sent it to PlanITROI, an IT asset disposition company, which refurbished and resold the equipment and netted Glaxo \$1.8 million from the effort. [Check out the case study here.](#)

IT Asset Disposition (ITAD) has turned into enough of an industry that Gartner puts out an ITAD Magic Quadrant report. According to Gartner, ITAD is growing in importance as ever greater volumes of IT equipment enter their end-of-life and companies realize they can trade this disposal headache into real money.

Many companies, including most IT vendors and leasing companies, are forced into the ITAD business by necessity. Gartner's ITAD report identifies over a dozen companies making a business of it. They include big hardware vendors like IBM, HP, and Dell and firms like Redemtech and PlanITROI (pronounced Planet ROI).

Getting rid of IT hardware is not as simple as it may seem. As noted above, there are hazardous materials involved that must be handled in compliance with various regulations. Gartner points out that the government is getting increasingly strict about the rules, and there are serious penalties for non-compliance.

But there also is cash to be recouped. ["Recycle is the last thing we want to do. We really rather refurbish and resell the asset,"](#) explains Andrew Bauer, CFO at PlanITROI. The company will take almost any electronic equipment. Your workers may expect a new laptop every three years, but there are plenty of organizations that will gladly pay less for a perfectly functional older refurbished system. About the only thing that they can't refurbish and resell are CRT monitors; those have no value and must be properly disposed.

PlanITROI splits whatever it makes from reselling your unwanted equipment. "Our clients usually get something north of 50%," says Bauer. As Glaxo found, that can add up to real money.

Laptop and notebook computers command the best resale prices, as much as \$300 each. Similarly, name brand equipment brings better prices.

Before getting rid of any equipment, however, make sure all data has been eliminated. Cleaning data is not as simple as just hitting the delete key. It takes a minimum of three delete passes. The Dept. of Defense specifies at least seven delete passes. A thorough data cleaning effort requires checking everything from the BIOS and cache memory to any accompanying media. Data also may be lurking in fax machine, printer, and cell phone memories. ITAD vendors usually handle data cleaning as part of the service.

So, the next time you see old IT equipment junking up your offices, think about converting it to gold.