

White Paper

The Benefits of Hardware Asset Management and IT Asset Disposition Services for a Hybrid Workforce

Sponsored by: Iron Mountain

Rob Brothers
July 2024

Elaina Stergiades

IDC OPINION

The modern workforce in a GenAI era relies heavily on devices to work productively from anywhere, at any time. From PCs to mobile phones and tablets to peripherals, most employees are using multiple devices that require reliable, secure access to applications and data for job-related tasks. With more enterprises paying attention to employee sentiment and satisfaction, optimizing the end-user device experience – along with achieving operational efficiencies in device management and sustainability – is a key strategic priority for IT organizations.

To help, enterprises are considering asset lifecycle management (ALM) services. Resource-strapped IT organizations need help deploying PCs in a timely manner, improving the end-user service experience while at the same time improving operational efficiencies. CFOs want a direct and transparent view into their technology investments to ensure the enterprise is maximizing the asset value throughout the lifecycle. And environmental, social, and governance (ESG) teams need to demonstrate compliance with asset disposition practices and circular economy guidelines.

For many enterprises, external providers that offer comprehensive IT asset lifecycle management services can help. Given the global talent crunch across industries, and the increased focus on GenAI and sustainability initiatives in the enterprise, the C-suite is looking for partners to improve operational efficiencies across the enterprise. IDC believes these services can be a suitable option for organizations looking to shift resources away from repetitive, mundane IT tasks and focus on supporting critical innovations for key business objectives.

Organizations are looking to be more sustainable and get the most out of their IT investments. With that as a backdrop, enterprises are prioritizing better device management strategies. IDC believes comprehensive lifecycle services from external providers can help with organizations looking for specific capabilities, including:

- 45% – asset tagging and labeling for better asset tracking
- 44% – secure IT asset disposition
- 39% – inventory management

SITUATION OVERVIEW

Despite the complex, ongoing IT and business challenges, IDC research continues to indicate that organizations consistently identify customer satisfaction and operational efficiencies as two of their top business priorities. Improving the customer experience (CX) – and corresponding customer loyalty and advocacy – through streamlined operations can directly affect overall revenue and profit. For most enterprises, improvements in these areas typically require a dedicated level of investment in innovative technologies that can help achieve the desired strategic objectives.

As CIOs and IT managers shift resources to accelerate innovative technology adoption, such as GenAI, many are considering external service providers for key IT functions. In particular, IT organizations are looking for help managing hardware assets to get the most out of them all while providing users with the best experience. Many enterprises seeking to reduce operational costs while improving resiliency and sustainability are considering hardware asset management services.

Skills Challenges While Managing End-User Devices and Investing in GenAI

Most enterprises have a highly distributed hybrid workforce, supporting a mix of onsite and remote employees that depend on technology to access any application, anytime, from anywhere. In a recent IDC survey, 78% of respondents indicated their organizations were "adopting hybrid-first work models; redefining processes, technologies, and policies; and engaging with more diverse talent pools" (source: IDC's *Future Enterprise Resiliency and Spending (FERS) Survey, Wave 12*, January 2022; n = 810). On top of managing this diverse workforce, IT is now tasked with developing GenAI offerings to internal constituents. This has put a major strain on internal resources; according to IDC's recent *FERS Survey*, 41% of organizations lack the talent required to roll out GenAI initiatives.

Enterprises are facing a global talent crunch and have renewed their focus on hiring and retention, especially as research continues to show the connections between the employee experience and the customer experience. In a recent IDC survey, 28% of organizations have identified a defined causal relationship between employee experience and customer experience – and 34% stated that the relationship between EX and CX is directly measurable (source: IDC's *Future Enterprise Resiliency and Spending Survey, Wave 11*, December 2022). The technologies used to complete business tasks are critical elements for initiatives focused on employee satisfaction and retention, making IT organizations directly responsible for desired outcomes.

Finally, GenAI PCs will become increasingly important to organizations to accomplish critical business tasks more efficiently. These devices are a key component of end-user IT service delivery, and improving hardware asset management is a key strategic initiative for many CIOs. The proliferation of devices continues to complicate the lives of IT organizations, with employees expanding beyond PCs and laptops to cell phones, tablets, and other end-user devices to access sensitive corporate data. Given the broad recognition that a best-in-class device experience can be a key driver in EX, CIOs need to prioritize device management across the lifecycle to enable critical business tasks.

Many Organizations Consider Asset Lifecycle Strategies That Span the Enterprise Business

The pace of change in workplace technologies is relentless, and IT organizations are under enormous pressure from business managers to introduce new innovations such as GenAI infrastructure that can drive strategic objectives. At the same time, resource-strapped CIOs need help managing day-to-day operations, reducing the routine tasks necessary to ensure end-user devices operate at maximum

performance and deliver efficient and secure access to key technologies for business processes. For many enterprises in this situation, a more comprehensive approach to asset lifecycle management can help.

CIOs and IT Organizations Are Looking for Help Optimizing Their Device Management Strategies

For the IT organization, a holistic asset lifecycle management strategy can be key to improving device management across a diverse user base. Specifically, IT staff need improved and updated IT processes to facilitate activities associated with servicing employee devices – making sure that every employee can complete work tasks anytime, from anywhere. Improving end-user IT service delivery for the complex mix of employee devices is an ongoing challenge for CIOs tasked with achieving better resiliency and improved operational efficiencies. IDC studies on improving PC IT operations show that when customers use outside resources, they can deploy new and used PCs to their users faster with fewer touch points (42% faster). In the same study, 37% of systems were not recovered or disposed of properly – but when using outside resources, that number dwindled to 12% (source: IDC's *PC Life-Cycle Optimization Survey*, April 2022).

CFOs Want to Make Sure Enterprises Are Maximizing Their Technology Investments

To help with investing in newer technologies such as GenAI, the finance and IT teams are taking a closer look on how they manage assets long term. Comprehensive lifecycle management offers improved asset utilization across a diverse workforce and often provides more options to acquire necessary technology assets – reducing end-user device procurement costs via a direct and transparent view into their IT asset investments as well as presenting opportunities for value recovery at the end of use. Comprehensive asset lifecycle management can help uncover previously undetected value in older assets – especially important as more organizations need to "get what they paid for" across their technology environments. PCs that once may have been sent to a "landfill" or back to the leasing company (or other company) may now find new life within the organization via cascading or in another organization via resale as IT and the CFO get a better understanding of the asset's true value.

ESG Teams Require Circular Economy Guidelines and Better Asset Disposition Practices

For the environmental, social, and governance teams, a comprehensive approach to hardware asset management is a critical component of ensuring circular economy practices and meeting sustainability goals across the organization. The ESG team needs to show compliance with scopes 1-3 initiatives, and it requires ongoing reporting to demonstrate progress across the enterprise. Specifically for hardware asset management, the IT organization must ensure all assets are used to the fullest extent across the lifecycle. In addition, ESG leads must demonstrate that any IT assets at end of life are disposed of in an eco-friendly way.

IDC research shows that most enterprises continue to struggle to implement a lifecycle approach to device management that includes planning, deployment, and optimizing ongoing operations and efficient, sustainable disposition practices. For help, CIOs are increasingly considering third-party service providers that can be more efficient and effective at achieving these multipronged device management goals.

The Benefits of IT Asset Management and IT Asset Disposal Services

For many CIOs and IT managers, hardware asset management and IT asset disposition (ITAD) services can be a good complement to internal IT management models for their organizations. These services offer a comprehensive approach to device management, with specific offerings that span the lifecycle of employee devices across the enterprise. IDC research shows that hardware asset management and ITAD services typically include, but are not limited to, the following capabilities:

- Asset management, including asset tagging, asset tracking and inventory management, and asset audit and compliance reports
- Project management and configuration planning for new device or device upgrades, including readiness assessments, scheduling and planning, shipping, and logistics
- Physical and remote deployment, including imaging, device shipment and/or return, and physical device deployment and setup
- Ongoing system support and operations, including call management and handling, physical break/fix, system management (patching, troubleshooting, optimization), management of warranty and support extensions, and battery replacements
- Asset recovery and disposal, including proper chain of custody and disposal of equipment at end of life, data destruction, lease returns, and asset value recognition for resale or reuse within the organization

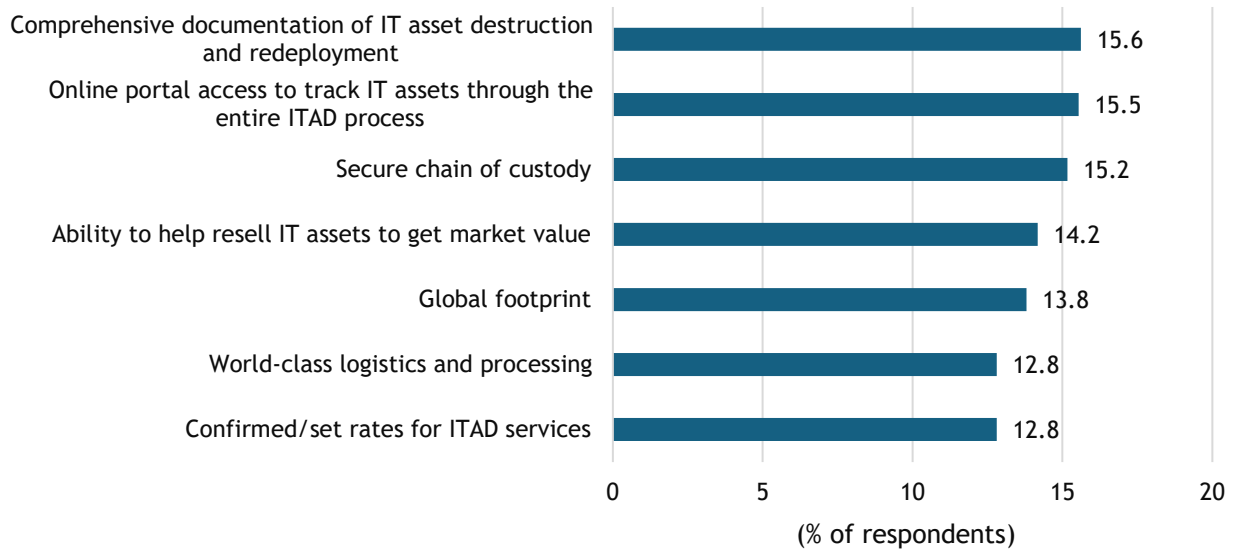
For many organizations, the asset recovery and disposal capabilities available through these services are invaluable. Asset decommissioning is included, so the IT organization is no longer responsible for tracking large numbers of devices and managing resale or recycling efforts – with the added benefit of improving sustainability metrics. In addition, the value of trade-ins can offset new equipment costs – improving the budget metrics in equipment refresh cycles. Finally, a comprehensive lifecycle management policy can help reduce security risks and ensure compliance for these complex end-of-life activities.

IDC research consistently demonstrates respondents indicating a number of benefits associated with the capabilities in hardware asset management and ITAD services. In IDC's February 2024 *Used Equipment Market Survey*, respondents were asked to identify the most important attributes needed in a partner; the key results are shown in Figure 1.

FIGURE 1

Top Attributes of IT Asset Disposition Providers

Q. When thinking about a secure IT asset disposition (ITAD) partner, how important are the following attributes?



n = 1,319

Source: IDC's *Used Equipment Market Survey*, February 2024

In addition, IT organizations reported less friction across the enterprise with respect to asset tracking and management, with better visibility and transparency into the asset lifecycle. Streamlining these operations helps improve the end-user device experience, leading to fewer cost of business losses due to device-related problems.

Key Capabilities to Evaluate When Considering ITAM and ITAD Services

When evaluating hardware asset management and ITAD service providers for the enterprise, IDC recommends considering providers that can demonstrate the following capabilities:

- A comprehensive services portfolio, with the flexibility to select the correct level of hardware asset management and ITAD services for the organization
- Proven methodologies across hardware asset management and ITAD processes, with a focus on best practices and industry-specific capabilities when appropriate
- Refined hardware asset management practices, including processes that consider the integrations between key internal stakeholders (i.e., HR and IT for employee device management)
- Robust metrics and reporting to continually track efforts to comply with sustainability goals and employee experience management
- Secure and sustainable asset disposition practices, including data wiping and destruction when necessary as well as recycling and reclaiming processes across devices

IRON MOUNTAIN'S HARDWARE ASSET MANAGEMENT AND ITAD SERVICES

Iron Mountain offers a comprehensive portfolio of hardware asset management and ITAD services as part of the company's overall asset lifecycle management division. Customers can select individual services on an ongoing and monthly basis, depending on their specific requirements and/or projects. Common supported use cases include laptop deployment, laptop retrieval, asset refresh, lease return, and end of life.

Iron Mountain hardware asset management and ITAD services include the following:

- **Store:** These services include asset tagging, asset tracking and inventory management, legal hold, and performing audits.
- **Managed deployment:** These services include deploy and decommission, configuration, asset tagging, and OS imaging and logistics.
- **Remarketing:** These services facilitate the reselling of end-of-life assets to recover operating capital and reduce electronic waste.
- **Destruction:** Secure ITAD services include data wiping that complies with NIST 800-88 guidelines and hard drive shredding/destruction/degaussing. These services can be performed either offsite at a processing facility or onsite using Iron Mountain's fleet of shredder-equipped vehicles and accredited, security-cleared employees.
- **Recycling:** Certified to ISO 14001 and consistent with many regional regulations, Iron Mountain's services include R2-compliant recycling. Recycling services include de-manufacturing, commodity recovery, and battery recovery. Iron Mountain's ITAD service also offers reporting and certification, with an auditable workflow and comprehensive chain-of-custody asset tracking and scanning.

FUTURE OUTLOOK

Given the global talent crunch across industries, IDC anticipates most enterprises will increasingly measure and track employment sentiment and satisfaction – with many adopting lofty objectives to help improve hiring and retention. With more organizations adopting metrics to track the connections between an improved employee experience and a superior customer experience, IDC expects a renewed focus on improving employee service delivery to help meet customer expectations.

In addition, the increasing importance of sustainability initiatives for enterprises in all industries will require a transparent, comprehensive approach to IT asset lifecycle management. ESG teams will be tasked to deliver detailed reports regarding progress on programs to address scopes 1-3 initiatives, and hardware asset management and ITAD services are well positioned to help.

CHALLENGES/OPPORTUNITIES

IDC anticipates that Iron Mountain will have significant opportunities as it expands its hardware asset management and ITAD capabilities in this dynamic, competitive market. Organizations taking advantage of these capabilities want to improve operational resiliency and efficiencies while enabling IT staff to focus on managing business outcomes rather than managing client devices. The innovations embedded in today's devices through advanced analytics and telemetry offer access to proactive service delivery and advanced security features to drive better employee and IT staff experiences. This

device performance optimization can also help extend device lifecycles as well as enhance employee productivity due to improved maintenance and monitoring.

IDC also believes Iron Mountain will have the opportunity to structure its hardware asset management and ITAD offerings to help enterprises that are struggling to track and report on sustainability efforts across the organization. A comprehensive approach to asset lifecycle management can lead to improvements in operational efficiencies across covered assets. In addition, the collected telemetry data from covered devices can provide detailed reporting regarding power, energy, and operational savings delivered through hardware asset management and ITAD services. ESG teams can use this data to demonstrate improved utilization rates, energy and operational efficiencies, use of refurbished equipment, and safe and secure asset decommissioning. IDC believes sustainability reporting will rapidly become a key priority for many organizations, as governments are beginning to require sustainability details for potential tax incentives or to avoid financial penalties for noncompliance.

At the same time, IDC expects that Iron Mountain will face several market challenges as it expands its hardware asset management and ITAD offerings. Although there are many benefits associated with asset lifecycle management, service providers often face resistance to any changes in procurement and budgeting. Shifting the capital expense of device management to an ongoing operating expense can lead to prolonged discussions regarding costs and value and can be perceived as adding complexity to budgeting cycles. Iron Mountain will need to focus its efforts on continued education across each of the key stakeholders in asset management – including, but not limited to, the IT organization, finance, procurement, and relevant business managers.

Finally, IDC anticipates that Iron Mountain will need to help potential hardware asset management and ITAD customers navigate the tricky balance of expiration dates across existing device support and maintenance contracts. For many enterprises, offering bridge financing and transition programs can help address the issue (depending on the complexity of the devices under contract). IDC also believes that a renewed focus on alleviating technical debt and offering trade-ins for older equipment can help address budget hurdles, enabling customers to more quickly adopt both hardware asset management and ITAD services.

CONCLUSION

While many organizations adopted a hybrid workplace as a matter of expediency, the model has proved beneficial for most enterprises. But ensuring the employees can perform work-related tasks reliably on multiple devices from any place, at any time is an ongoing challenge for most IT organizations. To maximize the benefits of a hybrid workforce, CIOs and CFOs are looking to optimize device management strategies to maximize the value of their investments and create operational efficiencies across the device lifecycle. Hardware asset management and disposal services delivered from external providers can help reduce the overall costs of device management, improve service delivery for end users, and ensure that organizations are making the most of their scarce resources while continuing to adopt new systems and capabilities to support innovative business objectives.

About IDC

International Data Corporation (IDC) is the premier global provider of market intelligence, advisory services, and events for the information technology, telecommunications and consumer technology markets. IDC helps IT professionals, business executives, and the investment community make fact-based decisions on technology purchases and business strategy. More than 1,100 IDC analysts provide global, regional, and local expertise on technology and industry opportunities and trends in over 110 countries worldwide. For 50 years, IDC has provided strategic insights to help our clients achieve their key business objectives. IDC is a subsidiary of IDG, the world's leading technology media, research, and events company.

Global Headquarters

140 Kendrick Street
Building B
Needham, MA 02494
USA
508.872.8200
Twitter: @IDC
blogs.idc.com
www.idc.com

Copyright Notice

External Publication of IDC Information and Data – Any IDC information that is to be used in advertising, press releases, or promotional materials requires prior written approval from the appropriate IDC Vice President or Country Manager. A draft of the proposed document should accompany any such request. IDC reserves the right to deny approval of external usage for any reason.

Copyright 2024 IDC. Reproduction without written permission is completely forbidden.