CIO

The Four "S's" that Underpin ITAD Strategy: Security, Sustainability, Scale, and Savings

Data security risks, including breaches, are in the headlines nearly daily. Breach costs increased 13% from 2020 to 2022, according to IBM.[1] And with 2022 breach costs now at an average of $4.35 million globally ($9.9 million in the US), an incident can penalize you on financial and reputational levels.

IT asset disposition (ITAD) is an important piece of data security risk management—and it is something that organizations often overlook. Poor management of retired hardware can expose sensitive corporate data, and lead to government-levied fines and penalties. Despite the risks associated with hardware disposition, a new survey from Foundry reveals that many companies are neglecting proper security precautions. More than 40% of companies surveyed still do not yet have a formal ITAD strategy in place.

These figures demonstrate that, much to the peril of data security and reputational risk, ITAD is often an afterthought. Like a homeowner who doesn't think about the plumbing until the pipes freeze, few stakeholders think about ITAD until an adverse event occurs.

It is time to envision things differently. Organizations must start recognizing ITAD as a strategic practice to ensure data security, support sustainability, enable scale, and save money. In this report, we will look at the four S's of ITAD—Security, Sustainability, Scale, and Savings—and explore how the challenges and opportunities for organizations they present.

THE (OFTEN INSECURE) STATE OF ITAD TODAY

Improper disposal of IT assets can have dire consequences. If sensitive information gets into the wrong hands, it can lead to financial loss, IP theft, and damage to an organization's reputation. But while it is critical to

1 https://www.ibm.com/reports/data-breach

ensure retired assets are handled properly, the Foundry survey found that many organizations are using multiple insecure disposal methods. In fact, many don't consider secure disposition of assets a business priority, and don't understand its level of importance and significance.

Respondents admitted to frequently or occasionally engaging in multiple insecure practices including: (See chart 1).

- 56% frequently or occasionally dispose of assets in the trash
- 79% frequently or occasionally store obsolete assets on-premises
- 58% frequently or occasionally store obsolete assets off-premises

Only 24% of those surveyed say they physically destroy assets on a frequent basis. US respondents were more likely to do so than their counterparts in (30%) in Europe, the Middle East and Africa (21%), and in Singapore and Australia (23%).

What's more, just 44% of respondents say they consistently destroy or sanitize data on retired IT assets.

Survey Methodology

Foundry interviewed 405 IT decision-makers with roles in IT, asset management, data center/IT infrastructure, security and compliance, procurement, and ESG management, to understand ITAD practices, drivers, challenges, and benefits. Respondents came from six countries: The US, the UK, France, Germany, the Netherlands, Singapore, and Australia. Average company size was 16,498 employees.

But why? Many consider the risk of sanitizing assets to be greater than the reward. Nearly half (45%) say sanitizing or removing it improperly is more of a risk than leaving it intact.

Other reasons include:

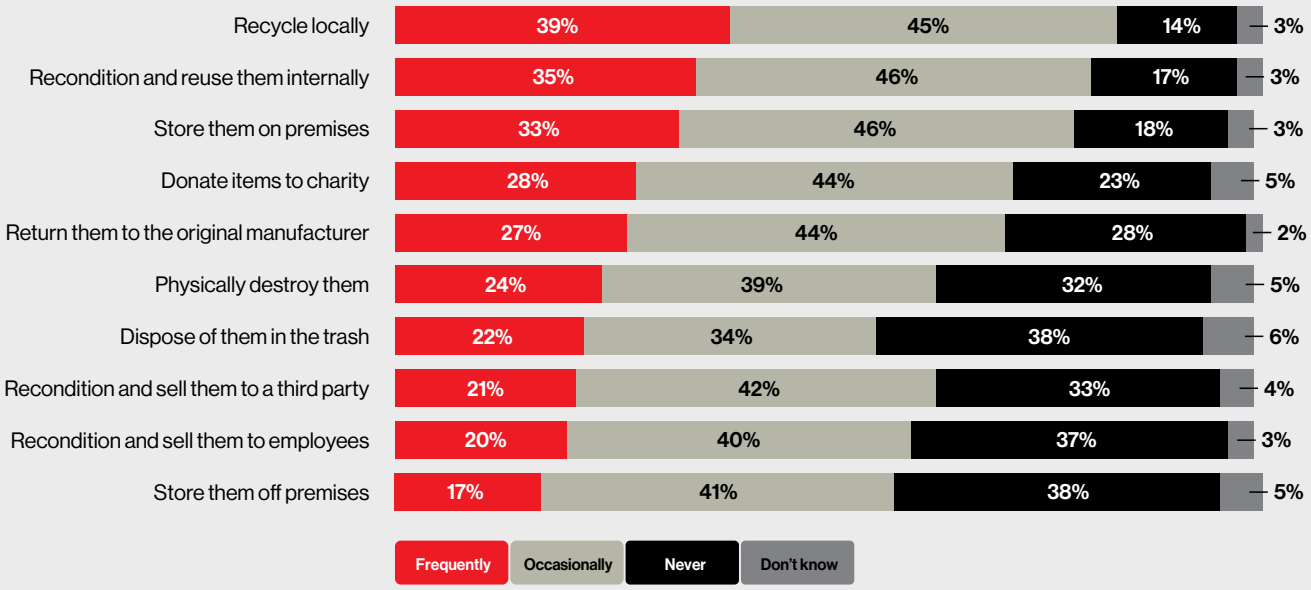
- 28% - lack of necessary expertise or skills
- 24% - lack of necessary technology
- 22% - lack of budget

THE CHALLENGES OF ITAD – WHAT'S GETTING IN THE WAY?

Most IT teams know and acknowledge that keeping track of IT device locations (e.g., laptops) is extremely

Chart 1

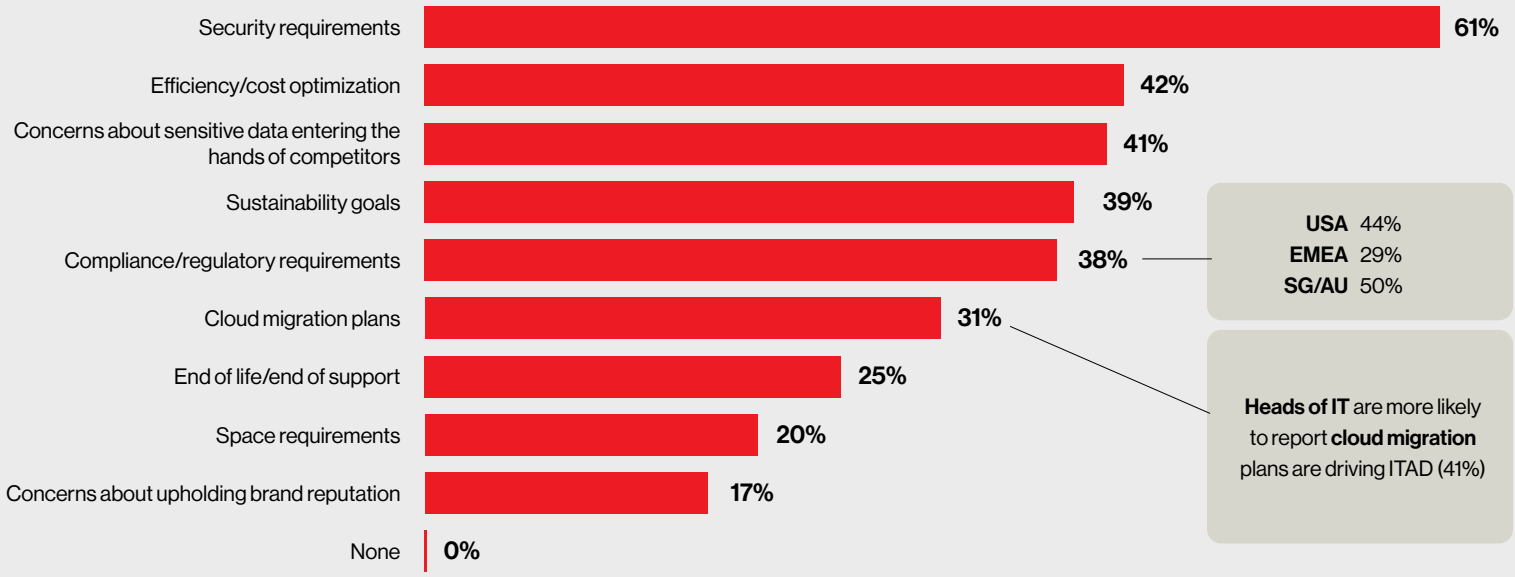
How Organizations Handle Obsolete Assets



Source: Foundry

Chart 2

Top Motivators for ITAD



Source: Foundry

challenging. In fact, the Foundry survey finds 45% of IT leaders say they have concerns about managing and tracking IT assets throughout their life cycles.

Another big concern is tracking at multiple locations (33%). Understanding the ownership or location of remote devices poses even bigger challenges when employees work remotely or when they leave an organization.

IT departments struggle to manage remote workers' IT devices because they often lack accurate inventory insights. This was reflected in survey answers as respondents note an increasing number of assets are now outside IT's control (41%), and more assets are returned due to high turnover (40%).

When asked about the most challenging aspects of an ITAD strategy, 39% of respondents cited meeting security and compliance requirements. Other pain points include chain of custody (28%), a lack of resources (28%), and incomplete data (27%).

IT leaders are aware of the risks associated with failing to implement an ITAD program but understand the benefits if they do. Security requirements are a top ITAD motivator for over half the respondents (61%).

ACHIEVING SUSTAINABILITY GOALS WITH ITAD

Electronic waste or e-waste is one of the fastest growing areas of solid waste, and a significant challenge for sustainability initiatives. At the same time, there is pressure for businesses to rethink and enhance their sustainability programs to address expanding customer and stakeholder expectations and goals. ITAD can play an important role in solving the challenge of excessive e-waste and meeting sustainability goals.

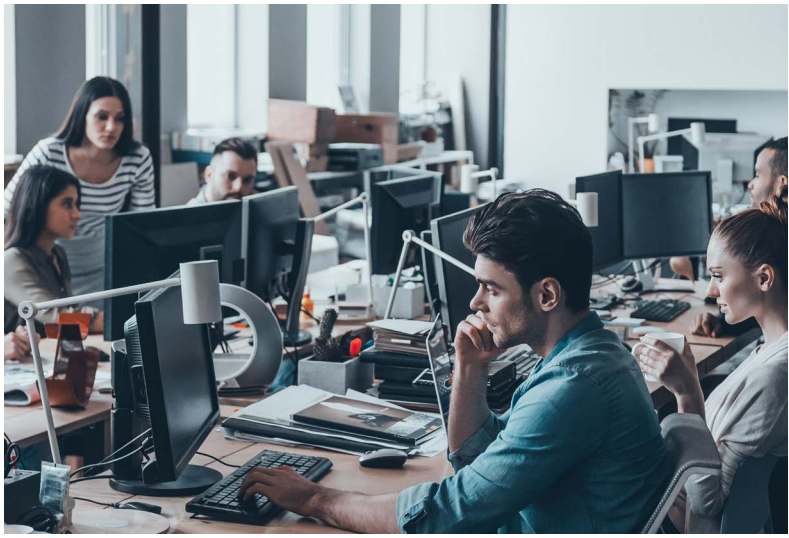
There's good and bad news when it comes to sustainable ITAD practices. Thirty-nine percent of organizations recycle IT assets and 35% recondition and reuse assets internally. These are promising figures. In comparison, 35% of respondents recycled IT assets and 31% redeployed assets, according to a 2020 Foundry/Iron Mountain survey.

The latest survey also found that 22% admit to frequently disposing of assets in the trash, and 24% to physically destroying them.

Those who manage ITAD centrally report higher confidence that hardware assets are being managed securely

and ecologically (71% are highly confident versus 59% of those with decentralized management practices).

Businesses who want to commit to sustainability goals may be better served by a trusted ITAD partner with a long track record of adhering to best practices including maximizing reuse, maximizing recycling of what can't be reused, and minimizing CO2 and e-waste. It is also important to ask potential vendors if they meet industry standards such as R2 or e-Stewards.



HOW REMOTE WORK HAS CHANGED THE SCALE OF ITAD

The size and scope of an ITAD strategy can also present challenges with widespread hybrid or remote work policies. As the number of IT assets located offsite grows, secure disposition becomes more costly, complex, and challenging.

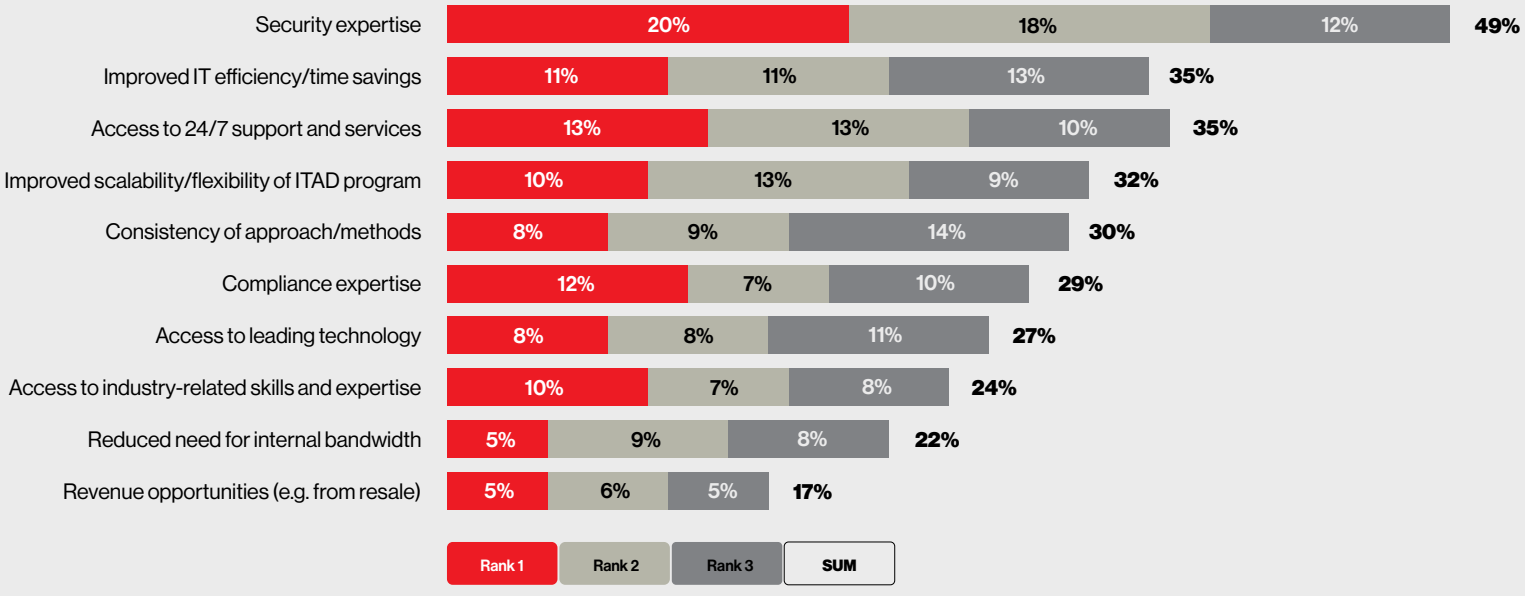
The current hybrid work era, coupled with a dynamic workforce that changes jobs frequently, presents several emerging challenges for ITAD. Forty-one percent (41%) say the number of assets outside of corporate control has increased, ther emerging issues include:

- 40% - increase in volume of returned assets due to high turnover
- 29% - lack of secure and safe ways for remote workers to return equipment

Faced with a massive amount of IT assets to oversee, it is no wonder organizations need help. IT leaders consider assistance with ITAD for many reasons, but leveraging a partner's security expertise tops the list, cited by 49% of respondents (See chart 3).

Chart 3

Top Potential Benefit of 3rd-Party ITAD Partner



Source: Foundry

RECOGNIZING SAVINGS THROUGH ITAD

Most businesses are focused on containing costs. IT asset disposition is no different: 44% of respondents cite cost savings as the reason for developing an ITAD strategy. And those who have implemented an ITAD strategy are indeed realizing savings, with 47% noting it as a key benefit.

IT leaders with a formal ITAD program see several additional benefits. Nearly half (49%) experienced enhanced data security and privacy. Other benefits include consistent IT management practices across sites (40%) and meeting corporate sustainability goals (36%).

A TRUSTED PARTNER DELIVERS ON THE FOUR S'S OF ITAD

A modern ITAD program should focus on data security around retired IT assets. This requires a scalable capability to sanitize data-bearing devices, track them from pick-up to final disposition, and provide a verifiable record that the data and equipment have been dispositioned properly.

A best-in-class ITAD program also supports sustainability. To ensure an ITAD program is sustainable, businesses should seek to work with a vendor who is either R2 or e-Stewards certified.

The reasons for developing and implementing a formal ITAD program are clear. Iron Mountain has been managing data and records for the enterprise for more than 70 years and is your partner for secure, sustainable, and flexible IT asset disposition, ensuring that you minimize risk and maximize value with your end-of-life IT assets. ◆

Contact Iron Mountain to learn how

we can help you reach your security and sustainability goals through ITAD at

www.ironmountain.com/itad