Secure IT Asset Disposition: Achieving Business Value While Mitigating Risks

The risks of not having an IT asset disposition solution are substantial. Here's how organizations can dispose of old equipment successfully while achieving security, compliance, and environmental goals.

DATA BREACHES HAVE BECOME SO COMMON that the Identity Theft Resource Center has shifted to monthly incident reporting. That said, as of the end of November 2018, 1,138 breaches have occurred across all industries in the U.S., exposing more than 560,000 records.

So, it's no surprise that risk avoidance is a central theme for IT leaders today, especially in the disposal of retired or obsolete IT assets. Done improperly, this could result in data theft, damage to company reputation, or loss of intellectual property.

The right IT asset disposition (ITAD) program helps companies not only avoid these issues, but also provides significant business benefits, including:

- Improved compliance efforts
- Minimized impact on the environment
- A lower total cost of ownership (TCO) by remarketing IT assets

IS IT RISK AVOIDANCE OR RISK TAKING?

A recent IDG research survey among 200 U.S.-based IT leaders found they are keenly aware of the risks associated with inappropriate disposal of end-of-life IT equipment. Their top concerns include: loss or theft of customer or patron information; damage to organization's reputation; loss or theft of intellectual property; punitive fines; and criminal charges.

Despite these concerns, they are taking risks with the ways in which they're disposing of retired or obsolete IT assets. For example, a surprisingly high percentage of companies (47%) admit they sometimes, often, or always throw these old devices in the trash. This action can fall afoul of environmental regulations and data-protection rules.

Also worrisome: Sixty-three percent of organizations say they hold onto old equipment, storing devices without wiping the data. Having old laptops sitting in closets or equipment rooms, for example, invites potential theft — by employees, visitors, or intruders.

These actions reveal a disconnect between recognition and actual avoidance of risks.

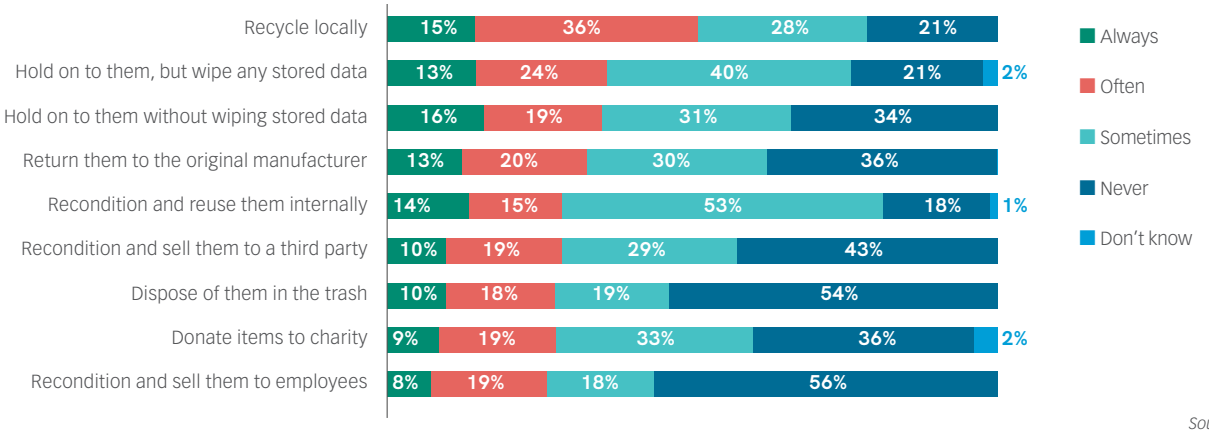
"Unfortunately, there are some companies that don't do everything the right way," says Brooks Hoffman, a member of the secure e-waste and IT asset disposition team at Iron Mountain. "It's easy to cut corners. If you do, it could come back to bite you. It could even result in a data breach."

THE CHALLENGES UNDERLYING THE DISCONNECT

Companies are probably not skirting proper disposal methods intentionally. However, doing it the right way is challenging, according to respondents in the IDG survey. The top obstacles they cite in managing end-of-life IT assets include:

MANY ORGANIZATIONS DON'T WIPE STORED DATA ON RETIRED IT ASSETS

HANDLING OF RETIRED IT ASSETS TODAY — ALL RESPONDENTS



Source: IDG

Data security concerns, including thorough sanitization of all data-bearing assets:

- Chain-of-custody security risks, such as the loss of IT assets in transit from company site to vendor's facility
- Compliance with local, state, federal, and industry requirements
- The need for centralized asset tracking and reporting
- Multiple sites and locations handling IT asset disposition differently

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>
> *—Brooks Hoffman, Secure e-waste and IT asset disposition team, Iron Mountain.*

In addition, surveyed companies say they sometimes lack a centralized IT asset disposition process; it might be managed by one individual, one group, or several departments, and entirely in-house, by third-party vendors, or a mix of both.

The job is complicated by a bevy of environmental and data-protection regulations affecting IT asset disposition. Many of them are industry-specific — such as the Health Insurance Portability and Accountability Act (HIPAA) and Federal Drug Administration regulations for healthcare, and the Banking Security Act and the Gramm-Leach-Bliley Act for financial services organizations. Plus, nearly every state and many municipalities have their own laws dictating disposal.

U.S.-based companies also don't have a full understanding of the far-reaching implications of the General Data Protection Regulation (GDPR). If the organization collects any type of personal data from individuals in Europe — including, for example, from a marketing survey — then that data must be protected throughout its lifecycle, including at the IT disposition stage.

Further complicating these challenges is that many companies lack an ITAD policy — a formal plan that controls data throughout the IT equipment lifecycle, including use, transfer, and disposal. A full 60% of organizations in the IDG survey say they don't have such a policy in place.

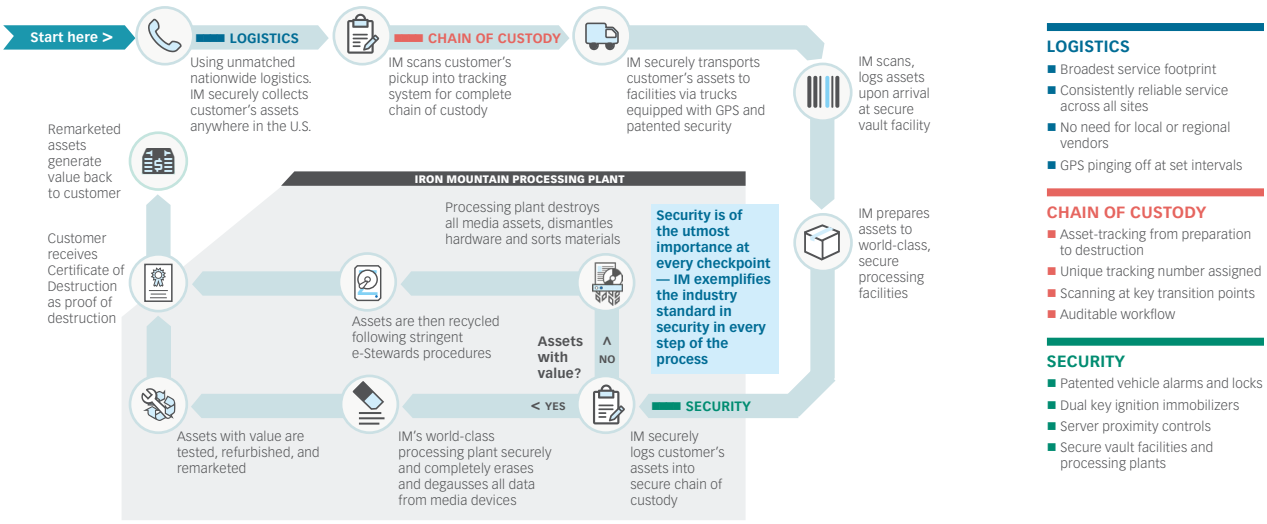
Hoffman cites several reasons for this: "The responsibility for IT asset disposition often falls into different groups, without one go-to person or department. It might be handled by the IT department, purchasing, risk management or compliance, and this is a small part of their job, so they don't spend a lot of time thinking about it. And often, there's a lack of experience — they've never had to develop an IT asset disposition policy or understand all the aspects that go into it."

ACHIEVING ITAD OBJECTIVES

To overcome the challenges associated with IT asset disposition, IT leaders recognize the need for outside help. The IDG survey reveals that, over the next 12 months, companies will leverage a third-party ITAD provider for the whole gamut of services:

- Recycling and component recovery
- Data sanitization
- Offsite media destruction
- Onsite media destruction
- Transportation/logistics
- Make/model/serial number capture
- End-of-lease management

Here's How IT Asset Disposition Works



The trend is to move toward a single-provider model, which respondents say will help them achieve security, ease of management, accountability/traceability, and cost benefits.

Consolidating ITAD services with one vendor also answers the need for consistent, secure chain of custody — one of IT leaders' top concerns around managing end-of-life IT assets.

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"If you're doing offsite disposal of IT assets that contain data, you want to be sure the assets are going to the place they're supposed to go, that the data is wiped, and nothing gets diverted," Hoffman says. "A lot of ITAD companies use third parties to manage their logistics, and they don't necessarily own their fleet of trucks, for example. So, you're depending on a truck driver who may or may not be reliable, who may not necessarily work for the ITAD firm, and who may not have a locked vehicle."

In addition to wanting that secure chain of custody, IT leaders say they're looking for vendors that will:

- Ensure the security of sensitive data
- Meet data privacy and environmental regulations
- Reduce the use of internal resources

IT asset disposition is a complex challenge — one that cannot be overlooked, because doing so has too many potentially damaging ramifications.

SECURE IT ASSET DISPOSITION: THE BENEFITS OF COMPREHENSIVE COVERAGE

Companies can achieve ITAD objectives, mitigate the risks around end-of-life IT assets, and reap business value at the same time. A properly designed, secure IT asset disposition (SITAD) program meets all of these goals and more.

For starters, to simplify the process of putting an ITAD policy in place, companies should work with a vendor that provides a framework. Iron Mountain, for example, offers a template that guides companies through procedures for asset tracking, data security standards, data destruction guidelines, and regulation compliance.

Next, companies should work toward deploying a comprehensive SITAD program. It should cover all aspects of security, logistics, and chain of custody while ensuring compliance, sustainability, and maximum value recovery through asset remarketing.

They also should partner with an ITAD vendor who is certified by an independent, standards-setting body such as e-Stewards®. This ensures there's no cutting of corners in complying with regulations and standards.

ITAD vendors also can help address environmental and social responsibility goals by diverting IT assets from landfills and other waste streams. A lot of complexity exists in this area; U.S. states and municipalities might have specific requirements in addition to federal regulations for e-waste.

Organizations have a great deal of sensitive data at stake, with too much at risk if they don't have a secure IT asset disposition program in place.

In addition to the environmental and governmental reasons for handling IT disposal correctly, having an ITAD program in place carries business value. For starters, it reduces the burden on internal resources.

"A lot of companies try to do data destruction themselves. They're purchasing software to do it, or maybe they have a hardware crusher, and they're trying to do it in-house," Hoffman says. "That's not a great use of their time. Most ITAD firms have the expertise and scale to do this on a much more cost-effective basis."

An ITAD program will get those unused, old IT devices out of storage, where they are at risk of potential theft and take up valuable space.

Another area of business value is the remarketing of these assets.

"Companies should be open to remarketing their end-of-life equipment — retiring that equipment at the optimal time to maximize the resale value, which will lower total cost of ownership," Hoffman says.

A significant percentage (43%) of respondents in the IDG survey said they're unfamiliar with or don't have the resources to manage this remarketing process. A trusted ITAD vendor can assist with this, as well. For example, Iron Mountain offers a thorough program that:

- Ensures all data is erased according to guidelines
- Finalizes a list of assets that are eligible for buyback
- Responsibly recycles any IT equipment that has no end-of-life value

THE BOTTOM LINE

Organizations have a great deal of sensitive data at stake, with too much at risk if they don't have a secure IT asset disposition program in place.

"If 75% of the organization does ITAD the right way, it means that 25% is doing things the wrong way. That's a problem," Hoffman says.

Getting ITAD right company-wide is crucial. A formal ITAD program ensures that organizations mitigate the risks around the disposal of end-of-life IT equipment, comply with a multitude of regulations, and gain the maximum resale value from their end-of-life IT assets.

Iron Mountain's Secure IT Asset Disposition solution helps companies ensure that their IT assets are properly destroyed, recycled, or repurposed for maximum value — using secure logistics and chain-of-custody methods to ensure compliance, security, and sustainability. Find out more: www.ironmountain.com/sitad