



What you need to know before retiring old computer equipment.

Plus, discover how PC Disposal can make asset retirement fast, easy and safe for you and your company.

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The idea of retiring computers never seems very hard. Just send an e-mail to employees telling them to pick out what computers they'd like to buy. Whatever isn't sold could be donated to a charity or merely discarded.

Those of you who have gone through the process know that it is not that simple.

What started off as a "nice thing to do for the employees" becomes a long, arduous and unprofitable project. Add to that the ease of stealing data off of old hard drives (even reformatted ones) and new environmental laws restricting the dumping of computer equipment. Suddenly, you're wondering if that "nice thing" might put your company on the evening news with some really bad publicity.

This report is designed to help inform you of the changing landscape of computer retirement and how to avoid some of the pitfalls. It will also help you discover how PC Disposal can eliminate the worry and headaches of computer removal.

The real cost of in-house computer retirement

According to a recent report by Gartner Research, in-house disposal "presents unique challenges and potential costs that enterprises seldom consider."¹ By some estimates, when a company tries to manage its own in-house retirement, the costs can exceed \$400 per computer! Why so much? Consider these hidden costs:

Basic in-house disposal management costs

- Administrative tasks (inventory, forms, accounting, etc.)
- Backing up and sanitizing hard drives
- Storage costs until computers are removed
- Packing and shipping
- Disposal fee
- Opportunity costs (i.e., Could this time be used more profitably?)

Optional in-house employee sale and/or charitable donation costs

- Hosting sale (pricing, setting up sales area, asking questions, etc.)
- Finding charitable organizations that will accept your PCs
- Reloading operating systems
- Testing PCs
- Processing payments
- Technical support
- Preparing transfer documents

That's not all. If you're planning on offsetting those costs by reselling your equipment, you'd better do it soon. It's estimated that stored IT equipment loses 6% to 10% of its value each month.²

Hard drive insecurity in the new privacy era

To stay within your software licensing restrictions and to protect your company's data, you take the time to format all hard drives before disposal. However, is your company's sensitive data really secure? Unfortunately, all it takes is a little computer know-how and some readily available software to resurrect much of the data on your hard drives. Any competitor, disgruntled employee or identity thief can potentially do it.

With new privacy laws (e.g., HIPAA) taking affect, those hard drives can open your company up to serious liabilities. Furthermore, if old software falls into unlicensed hands, the company getting rid of the software and the recipient could face legal action that includes paying penalties of thousands of dollars.

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Rather than just reformatting the hard drives, it is crucial to “sanitize” the drives by writing over the old data with random data or zeros several times. However, it's estimated that when a company does this in-house, the costs can range from \$50 to \$126 per disk cleansed.²

Environmental activists combing through landfills

As of this writing, companies have had to pay fines of up to \$200,000 for illegally dumping computers. Expect more companies to receive fines as new state and federal laws are enacted to prevent environmentally unfriendly methods of disposal. The reasons for these laws are certainly understandable. In 2003 alone, an estimated 63 million PCs were thrown away. Each system contained roughly four pounds of lead. Other worrisome elements include mercury, cadmium and plastic compounds.³

If your computers end up in a landfill, they can be easily traced directly back to your business, exposing your company to expensive fines, embarrassing publicity and even litigation. This can happen even if your company sells, transfers or donates its computers. Read on for more information about this.

Employee purchase programs and charity donations: Know the risks

Conducting an employee purchase program or donating to a charity can be a great way to give back to your employees and the community. However, if not properly handled, you may be exposing your company to legal risks. For example, there is a potential contingent liability if the purchaser of the equipment later disposes of it illegally and it is traced back to the selling enterprise.

Brokers do not take title to your assets

Companies will often try to use a broker to sell off their old computers. However, by definition, brokers do not take title to your assets. When you use a broker, you may be opening your company to similar risks as when you sell to your employees. If the new owners illegally dump your computers, there's a potential contingent liability for your company. If your hard drives aren't properly sanitized, your company secrets could be for sale on eBay. Finally, you will still be stuck holding equipment that your broker can't push.

Why some asset removal companies do more harm than good

Asset removal companies are typically the best way to remove and retire obsolete computer equipment. In addition to making the process easy, they insulate your company from the risks mentioned above. Unfortunately, not all computer disposal companies are the same and some may even increase your company's risk exposure. Here's why:

Because asset disposal services are in great demand, fly-by-night asset removal companies are popping up everywhere. Their business model is simple: undercut the competition and sell off as many computers as possible. But what happens to the computers they can't sell? Do they really want to take the time to sanitize all of those computers, destroy them and properly dispose of them, knowing that they're losing money on each computer they process? Instead, many of these companies merely illegally dump them – company data and all.

According to Gartner Research, many companies “reported that they had to pay [hefty fines] when the disposal providers they partnered with collected their payment and then dumped the equipment.”

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Questions to ask potential asset removal companies?

1. Do they have errors and omissions insurance? This is an easy way to sift out the reputable firms from the questionable ones. Although errors and omissions insurance protects the asset removal company from liability regarding your data, it's also a good indicator of how professional the company is and how your equipment and data will be handled. Errors and omissions insurance companies have strict rules on how equipment and data should be disposed of. Many asset removal companies either can't afford errors and omissions insurance or they don't qualify for it.

2. How long have they been in business? In this business, longevity says a lot about the reputation of the firm.

3. Do they have references? This sounds obvious, but make sure the references aren't only from small companies. Larger companies typically have a stricter screening process when selecting asset removal companies.

4. Are they limited to computer disposal? Not all computers should be immediately destroyed. A good asset removal company can also provide services for redeployment, employee purchase programs or charitable donations.

5. How will they protect your company from liability? Your old equipment inventory should become their equipment inventory. That is, title should be passed on to the asset removal company. They should provide a certified report detailing the services performed for each piece of equipment along with a confirmation of software removal (listed by hardware serial number). This serves as evidence that you retired your equipment in a proper and responsible manner.

Bottom line

Once a computer has left your business, you have lost control over what happens to it. And, unless your company properly protects itself, that computer can come back to haunt you in terms of security, privacy, fines, litigation and poor publicity.

Because of these issues, it pays to work with a reputable company that can properly retire your equipment and shield you from these risks.

Sources:

¹ "PC Disposal: TCO's Last Surprise," research paper by Gartner, Inc., www.gartner.com

² According to Aberdeen Group, Inc., a computer research and consulting organization, www.aberdeen.com

³ "The information age's toxic garbage," *BusinessWeek*, October 6, 2003, www.businessweek.com



PC Disposal makes computer retirement easy and worry-free.

For a fraction of what you'd pay to conduct your own asset retirement program, PC Disposal can make it easy to redeploy, remarket or remove old computer equipment..

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Like many companies today, there's probably a junkyard of computers growing in your company. When businesses attempt an in-house computer removal program, costs can exceed \$400 per computer.

*Some of
PC Disposal's
clients include:*

Time Warner

Road Runner

Boise Cascade

**Universal
Underwriters**

Gentiva Healthcare

Companies throughout the United States are discovering that using an asset removal company like PC Disposal can make asset retirement cheaper, safer and much simpler. Here's why PC Disposal should help you with your equipment removal program:

We insulate you from liability

This is probably the most important service we offer. From privacy issues to the EPA, when a computer leaves your company it can become a serious risk for your company. Here's how PC Disposal shields you and your company from these risks.

- **We take title to your equipment.** That is, your equipment becomes our equipment and it's no longer your responsibility.
- **Hard drives are sanitized or destroyed.** We don't take chances with your data. Depending on the circumstances, we completely destroy the hard drive, sanitize the hard drive by erasing and overwriting old data, or degauss the hard drive using a powerful magnet (this makes all data unrecoverable).
- **Asset tags are removed.** PC Disposal will remove any asset tags or other labels that may identify the original equipment's owner.
- **Worthless equipment is disposed of properly.** PC Disposal complies with all Federal and State environmental laws governing the disposal of electronic waste.
- **You'll receive a "Certificate of Disposal."** This report provides evidence of services performed. For example, evidence that hard drives were properly sanitized or destroyed

and that any qualifying equipment was disposed of according to EPA guidelines. These services are listed by equipment serial numbers.

We can resell old equipment and share the profits with you

Some of your old equipment may still hold significant value. If so, PC Disposal can resell this equipment and share the profits with you. Ask your PC Disposal representative for details. Not all equipment qualifies for resell and there is a resell time limit.

We can manage your employee purchase program

PC Disposal can make your employee purchase program hassle-free. Your employees will be able to log on to our Web site with a username and password to purchase retired equipment. All systems for sale are thoroughly tested and have a thirty (30) day limited warranty. Your equipment is put on your company's area of our Web site for a period of sixty (60) days and we refund a percentage of the sales back to you.

This service is not strictly limited to information technology (IT) assets. If you are interested in offering other assets to your employees, please contact your PC Disposal representative.

Our job is to make your job easier. We've developed a process to make asset removal as simple as possible for you.

We can facilitate charitable donations

You select the charity and we'll do the rest. As part of our services, PC Disposal will:

- Facilitate the logistics for delivery.
- Collect the 5013(c) status paperwork and deliver to your accounting office.
- Allow a designated portion of our Web site to be accessed by your charity.
- Recondition, test, and ship to your charity (additional charges may apply).

We can provide redeployment services

If redeploying equipment from one company department to another is part of your plan, then you've come to the right place. PC Disposal's management team has over 15 years experience in the service, repair, networking and IT consulting industry. That experience helped us develop an extensive testing and refurbishing procedure that essentially reduces failures and the associated warranty headaches to zero.

All equipment is cleaned and a thirty (30) day limited warranty is assigned. Additional service contracts are available upon request. In addition, storage is provided free of charge for up to three months on redeployment projects. Shipping and handling are also available.

How the process works

Our job is to make your job easier. We've developed a process to make asset removal as simple as possible for you. Here's what to expect when you hire us:

- **Needs assessment.** Your PC Disposal representative will assist you by looking over the inventory list and selecting which equipment will be tested for possible reconditioning, resell or redeployment. Remaining equipment will

be destroyed and properly disposed of.

- **Logistics.** We'll contact the appropriate departments or offices with the equipment to be addressed and send the person in charge of the project a "Freight Pickup Worksheet." The PC Disposal representative will work out logistical details with the contact person and arrange for the equipment to be delivered from your loading dock to our central processing warehouse. Pick up and delivery is free on ten units or more.
- **Inventory and reporting.** From here, it's now our responsibility. All inventories are tracked by serial numbers. If a serial number is not available, a PC Disposal "Unit ID" is assigned. We will be happy to provide you with an inventory listing upon request. We conduct our services (data removal, reconditioning, disposal, etc.) along with any of your requests (donation, redeployment, resell, etc.) and provide you with a "Certificate of Disposal" on all services performed. It's that easy.

About PC Disposal

PC Disposal is part of a family of businesses started in 1989, and we've become one of the largest computer disposal companies in the industry. We provide asset retirement for companies of all sizes throughout the United States. Our employees have decades of computer service and support experience. PC Disposal is fully compliant with Section 3010 of the Resource Conservation and Recovery Act (RCRA) and we carry errors and omissions insurance to protect against client data theft.

Call us today

Let PC Disposal be your trusted partner for asset retirement. We've developed a system that saves you time while saving your company money.

PC Disposal now offers "No Surprises" Pricing.

A common practice among recycling firms is to lowball a bid just to get your business and then tack on bloated shipping, handling and disposal fees that far exceed the original "estimate." Unfortunately, you may not find out that your "lowest bidder" is actually the highest bidder until you get the final bill.

In response to the pricing games being played by other computer recycling firms, PC Disposal is proud to announce that they are the first computer recycling firm to offer **"No Surprises" Pricing (NSP)**. That is, we bid using a flat fee per unit that includes ALL CHARGES for each type of equipment. That flat fee covers everything: shipping, handling and all processing. NO HIDDEN COSTS. NO SURPRISES. To calculate your fees, just multiply the number of units by the flat rate that we give you for each asset class. You can feel confident knowing up front what your total costs will be.