



SHORTEN THE SALES CYCLE

Lean and Green: Seizing ITAD Opportunity with Ingram Micro's CloudBlue

Outdated IT assets can no longer be stuffed in closets or dragged to the nearest dumpster. Used IT hardware is now a liability, and its secure and environmentally responsible disposal presents a significant opportunity for IT solution providers that can navigate the complexities of IT asset disposition. Ingram Micro's CloudBlue ITAD services can help.

LEARN

Whether it's an upgrade of client desktops or a data center transformation to a cloud-enabled environment, solution providers face one consistently vexing project challenge: what to do with all of those old laptops, PCs, servers, and peripherals. Built from a variety of toxic materials and filled with sensitive corporate data, used IT equipment poses a significant liability for customers in terms of security and reputation. It's a challenge of global proportions.

Sustainable Electronics Recycling International (SERI), keeper of the R2 Standard for Responsible Recycling, estimates that 15 pounds of used electronics were generated per capita worldwide in 2012. That's 50 million tons in one year. The volume of used tech gear is expected to rise more than 33 percent by 2017 to more than 65 million tons annually.

The U.S. Environmental Protection Agency estimates that the amount of e-waste being properly recycled or reused is just 12 percent. The remaining 88 percent is still being trucked to landfills, shipped to incinerators, or otherwise discarded inappropriately.

The proper handling of e-waste represents a valuable opportunity for IT partners to address customer concerns about security, environmental responsibility, regulatory compliance, and the need to recoup technology investment dollars. With a mounting global backlog of e-waste, ITAD, or IT Asset Disposition, now represents a total addressable market of \$9.8 billion dollars, handling 48 million tons of discontinued and excess technology gear annually, according to Transparency Market Research. That market is expected to grow to \$41 billion by 2019 on 141 million tons of used equipment, TMR predicts.

Handling of out-of-service IT equipment has evolved into a specialty service with its own vernacular and unique processes. Solution providers need a reliable, trustworthy ITAD partner to assist them in handling the last-mile task of taking IT equipment out of service in a secure and environmentally responsible way. Ingram Micro's CloudBlue helps partners protect their clients while reaping the maximum benefits of asset value recovery.



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INNOVATE

Incorporating ITAD and lifecycle management services into the solution provider practice gives the partner not only a lucrative new revenue stream but also a valuable window into client operations. This added visibility can be leveraged to strengthen IT services engagements and unearth new attached sales opportunities. But a foray into the specialized world of ITAD can also be daunting. Many ITAD considerations, such as data erasure, compliance management, asset recovery, and the logistics of reverse distribution, are outside the normal skill set of the average IT services provider. Understanding the core elements of an ITAD offering — and finding an experienced asset disposition partner to fill in gaps in capabilities — is key to success.

Data Security

The Challenge: Ensuring the security and integrity of client data is paramount when IT hardware is taken out of service. Storage media must be handled properly, and sensitive corporate data must be erased beyond recoverability. In addition, the chain of custody for every device handled must be carefully documented.

The CloudBlue Advantage: Every piece of decommissioned gear is assessed for its potential resale value, and then cleaned of all data according to stringent NIST 800-88 and Department of Defense 5220.22-M standards, either through three-pass wiping or via degaussing and physical destruction. CloudBlue tracks every unit through each step of the disposition process and provides an audit-ready Certificate of Data Erasure and Destruction to protect the client from liability.

Regulatory Compliance

The Challenge: In highly regulated verticals such as healthcare, finance, and retail, getting rid of equipment that houses sensitive data requires more than just the good word of the solution provider. ITAD services are required to meet stringent data disposal rules set forth in the various regulations that vary from industry to industry. This requires deep knowledge of the compliance requirements for receipt, processing, destruction, and disposal.

The CloudBlue Advantage: CloudBlue provides expert help for security- and compliance-sensitive businesses that need a certified partner to manage their electronics lifecycle support requirements. In every phase of the ITAD process, CloudBlue enables companies to maintain compliance with industry regulations, including the Gramm-Leach-Bliley Act (GLBA); Health Insurance Portability & Accountability Act (HIPAA); Health Information Technology for Economic and Clinical Health (HITECH) Act; Fair and Accurate Credit Transactions Act (FACTA); Fair Credit Reporting Act (FCRA); and Payment Card Industry Data Security Standard (PCI DSS), as well as all other state and local privacy and disposal laws.



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Asset Recovery Capabilities

The Challenge: The traditional view of IT-asset disposal and recycling as an expense to the business is shifting, thanks to the redistribution of reconditioned technology assets being resold in secondary markets around the world. These revenue “clawback” opportunities help organizations recoup valuable IT investment resources that can be reinvested in infrastructure upgrades and new IT initiatives. Asset recovery requires not only efficient processes to disassemble, inspect, grade, and repair IT components, but also an established mechanism for getting the units into secondary distribution markets around the world.

The CloudBlue Advantage: Partnering with CloudBlue affords access to systems and processes purpose-built for maximizing the recovery of value from used equipment. Decommissioned gear with remaining market value is rigorously tested, graded, repaired if necessary, and refurbished for resale, with proceeds going back to the client for reinvestment. With its global scale, reputation, and experience in technology distribution, Ingram Micro’s CloudBlue delivers top value for refurbished units, using a multi-channel sales approach to drive product to the most profitable secondary market in e-commerce, retail, auction, wholesale, or liquidation.

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Environmental Commitment

The Challenge: Solution providers must ensure that used IT equipment is handled in an environmentally responsible way. Not only is it the right thing to do; it’s also the law in a growing number of jurisdictions, and the penalties for violations — in fines and in damage to client reputation — can be severe.

The CloudBlue Advantage: CloudBlue maintains strict adherence with all local, state, and federal laws, as well as regulations and standards covering the environmental aspects and hazards associated with ITAD activities, products, and services. CloudBlue holds e-Stewards certification and memberships in the EPA WasteWise program and the Coalition for American Electronics Recycling as part of its commitment to keeping landfill refuse to an absolute minimum. By encouraging the recycling and reuse of old equipment, and by partnering with like-minded contractors and suppliers, CloudBlue encourages environmental awareness and promotes strong environmental objectives.



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GROW

Once established, a solution provider's ITAD practice is an engine that helps drive the customer's rapidly spinning IT lifecycle through the planning, acquisition, deployment, management, and retirement phases. As client business challenges increase and the pace of innovation from IT vendors hastens, this continuous refresh-cycle loop picks up speed.

Emerging technologies are radically altering the concept of traditional IT infrastructure design and management. The so-called SMAC technologies — social, mobile, analytics, and cloud — have businesses decommissioning more IT equipment at a faster rate than ever before, which means solution providers that once calculated refresh cycles based on legacy use of desktop clients and on-premises applications must now view the IT lifecycle through the lens of cloud adoption and large-scale mobility initiatives.

CloudBlue gives partners several ways to augment basic ITAD capabilities and develop true IT lifecycle management practices that cement the solution provider's relationship with the client as a total IT services practitioner. These include:

- White label and private label programs that let the partner lead the ITAD engagement with their own established brand.
- Scalable services that can be performed at more than 100 facilities worldwide or at the customer's site.
- Asset buyback and trade-in programs that help the partner deliver maximum asset value recovery to the client.
- Pickup and transportation services.
- SKU-based service solutions.

By taking advantage of CloudBlue's advanced services for partners, solution providers can begin to view ITAD as more than just a one-off addition to the bill of fare. When thoughtfully crafted, IT retirement programs designed to lower the costs of secure and sustainable asset disposition, while maximizing recovered value from decommissioned assets, should become a formal business process integrated and aligned with the partner's existing work as a trusted IT advisor to the client.



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Out With the Old, in With the Revenue

THE CHALLENGE

A solution provider with a client that has been delaying the refresh of more than 300 network devices due to budgetary concerns.

THE SOLUTION

Working with Ingram Micro's CloudBlue, the partner was able to provide ITAD services that met the client's requirements and recovered significant value from the old equipment that was used to help pay for the new networking gear.

TALE OF THE TAPE

Remarketing Value of Equipment	\$250,000
Charges for Disposal Services of 315 Units	\$5,500
Total Revenue Recognition for Reseller	\$255,500
Remarketing Profit Shared with Client	\$175,000
Remarketing Profit for Reseller	\$75,000
Profit Margin for Reseller	30%
Sales Cycle	30 Days

THE EDGE

By approaching the client with disposition services, the partner was able to provide the client with a total solution, aid the client in meeting time lines, and keep the project within budget.

THE REWARD

Incorporating ITAD services into the deal enabled the solution provider to generate immediate revenue on the new hardware sale and recognize an additional \$255,000 in revenue and \$75,000 in profit.



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Additional Resources

Watch our introductory video: <http://www.cloudblue.com/content/about-us>

For more information about becoming a CloudBlue partner, email us at ingrammicro@cloudblue.com.

