

White Paper



PC Disposal That Makes A Difference

Executive Summary

This white paper discusses PC disposal strategies for businesses. The key to determining the best outcome is to consider the business requirements for a secure and cost-effective solution, while at the same time achieving a socially and environmentally responsible method of disposal.

Donating surplus PCs for refurbishment to a non-profit program such as WorkVentures Connect IT is shown to be the most cost-effective solution for businesses, as well as providing the best outcome for the environment and the community.

Computer Disposal in Australia

Each year, Australian businesses need to dispose of millions of superseded computers. The choices these businesses make in managing the disposal of surplus computers have a direct impact on their profitability, productivity and data security. Computer disposal strategies also have a significant impact on Corporate and Social Responsibility (CSR) outcomes.

Disposing of e-waste is a huge environmental problem and a high priority for all levels of governments. In 2007-08, 106,000,000 kilograms (16.8 million units) of televisions, computers and computer products reached their end of life⁽¹⁾. Waste volumes are increasing because of rapid

technological change, shorter lifespans of products and increasing use of computers across business functions. Computers contain non-renewable resources such as glass, plastics and steel, as well as toxic materials such as arsenic and lead, so computer disposal strategies should consider how to keep these materials out of landfill.

The current recycling rate for computers in Australia is 14% (by weight). In addition it is estimated that 600,000 second hand computers are exported out of Australia each year by commercial computer traders⁽²⁾. While recycling and export are preferable to landfill, a better option for the community is to extend the useful life of PCs where possible, to assist disadvantaged communities.

Computer literacy is crucial to ensure that low income households are not trapped in a lifetime of disadvantage. For people who have used computers for many years, it's astounding to learn there are still 321,000 Australian families with school-aged children that have no access to a computer or the internet⁽³⁾. WorkVentures provides organisations with a simple and low cost option strategy to divert old business computers to assist those in need. Since our Connect IT program was established in 2002, WorkVentures has grown to become the largest non-profit computer refurbisher in Australia.

Alternatives

Five broad approaches to computer disposal are available to organisations:

- Donation – where computers are refurbished to provide for the needs

- of disadvantaged communities, either directly or via a non-profit organisation like WorkVentures
- Sale/Auction – where commercial traders collect, test and sell computers on behalf of business clients and pay them any remaining funds after deducting commission charges and other costs
- Recycling – commercial recyclers collect equipment for a fee, usually on a cost per kilo basis
- Employee sale – where computers are offered for sale to internal staff
- Waste – computers are disposed of with other garbage.

WorkVentures' experience shows that donating surplus PCs for refurbishment through a non-profit partner is the most cost-effective solution for businesses, as well as providing the best outcome for the environment and the community. The primary benefits provided by a donation model are outlined below.

Ensure Data Security

Protecting sensitive business information is one of the most important considerations for organisations evaluating PC disposal strategies. WorkVentures adheres to ISO 9001 accredited decommissioning processes to ensure our clients' business data is protected. As a Microsoft Registered Refurbisher partner, WorkVentures is required to decommission PCs to US Department of Defence 5200.22-M standard – all drives are unconditionally low level formatted or physically destroyed.

Upon request, WorkVentures is able to issue a certificate of data destruction to confirm all hard drives have been wiped.

(2) Microsoft

(3) Australian Bureau of Statistics, 2009

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We also clean PCs to remove all company identification.

Maximise Productivity

Typically, organisations that sell old computers to their employees consume many hours of their IT staff time in managing the process. This process involves establishing pricing policies, collecting payments, managing concerns about equity across employees and departments, reformatting hard drives and installing new software images. This detracts from the resources available to support core business activities and to manage IT projects that build organisational capability.

WorkVentures offers a simple disposal service to minimise the amount of time clients waste in managing a non-core activity.

Cost Savings

Intuitively it would seem that disposing of old computers through a sale/auction process would maximise an organisation's financial outcome. However Boston Consulting Group's analysis shows that this method of PC disposal is usually a loss making exercise. As shown in Table 1, the gross returns from the sale of second hand computers are quickly eroded by a series of commissions and other charges, resulting in a negative net return. This analysis only considers direct costs, in addition there are significant overhead costs for IT and Asset Management staff in managing this process.

By comparison WorkVentures services are generally free of charge and our simple disposal service helps our clients avoid wasting staff time managing a non-core activity. WorkVentures will take away old computers for free with no reformatting or fixed management fees. Charges only apply where a significant proportion of equipment is unusable, and for collections in small quantities or outside metropolitan areas.

Table 1 – Profit from sale of PCs by auction (\$ per PC)

Average PC Price at Auction	\$50
Less: Charges for desktop PC and monitor removal and freight	(\$20.00)
Cost to reformat HDD	(\$5.00)
Auctioneer charge @ 7.5%	(\$4.00)
IT Company Margin	(\$11.50)
IT Company "Disposal Management Fee"	(\$10.00)
Net Profit	(\$8.50)

Source: Boston Consulting Group (note: indicative example based on Australian organisation that owns its computers and has contracted with an IT company to auction them on their behalf.)

Supporting Disadvantaged Communities

Donating computers for use by low income households helps foster computer literacy and build the capacity of our society. While many organisations would like to donate equipment directly to those in need, the challenges of wiping hard drives, finding suitable recipients, managing licensing issues and ongoing support requests can be overwhelming. WorkVentures Connect IT program enables businesses to donate their surplus computers to disadvantaged communities and assumes full responsibility for logistics, licensing, warranty and technical support.

Environmentally Responsible

In selecting a PC disposal solution, organisations need to compare the environmental benefits of each alternative. Computers contain a range of toxic substances including lead and arsenic that are potentially toxic when disposed in landfill⁽⁴⁾. E-waste is a serious and highly visible environmental issue that is a high priority for all levels of government.

Recycling is a common option for organisations looking to dispose of old computer equipment in an environmentally responsible way. However global reverse supply chain infrastructure is not growing as rapidly as computer consumption, which is resulting in an increasing number of computers ending in informal recycling in developing countries. While this creates economic opportunities for those communities, the lack of OH&S standards in developing countries creates serious health and environmental issues⁽⁴⁾.

The most effective way to reduce waste is to not create it in the first place. By refurbishing computers, WorkVentures extends the useful life of PCs, saving natural resources and reducing waste management costs. Any equipment that cannot be reused is recycled by partners that are ISO14001 certified.

Detailed Asset Tracking

WorkVentures barcodes all IT assets on receipt from clients. Our system tracks:

- Equipment type
- Brand
- Model
- Donor asset number.

Reports are available to clients providing full details of equipment received, allowing them to reconcile their asset management systems.

Reporting for CSR credentials

Sustainability reporting and benchmarking are becoming increasingly important to many corporations. WorkVentures can facilitate an organisation's information gathering and audit process by providing periodical reports on equipment collected and donated.

Conclusion

WorkVentures is a non-profit organisation that has been operating for over 30 years. Our professional PC disposal service allows organisations to:

- Lower their costs
- Maximise productivity
- Ensure the security of sensitive data
- Achieve the best outcome for the environment and the community, by donating computers for refurbishment and on-sale at low cost to needy Australian families.

For further information

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WorkVentures Program Partners

Our major supporters and partners:

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