

COMPUTER RE-NEWS



The Quarterly Newsletter of Cascade Asset Management

Summer 2007 : Volume 7 : Issue 2

Since Cascade opened in April, 1999, we've:

- *Collected over 27.4 million pounds of old electronics
- *Refurbished and resold or donated over 789,220 monitors, computers and printers
- *Demanufactured and recycled over 357,704 cathode ray tubes
- *Kept more than 1.4 million pounds of lead out of land fills
- *Donated more than \$212,000 worth of equipment to local charities and causes in developing countries
- *Paid more than \$3.9 million in rebates to customers

CASCADE RECEIVES HONORABLE AWARD

Cascade Asset Management received the "Outstanding Achievement in Recycling" award for 2007. Each year the Associated Recyclers of Wisconsin award program recognizes businesses, organizations, and individuals who exemplify AROW's mission throughout the state and has excelled in their recycling program.



"Cascade Asset Management has demonstrated leadership in the computer recycling industry by setting best management practices and striving for continuous improvement," declared Joe Van Rossum, President of AROW. "They have played a key role in developing an infrastructure for environmentally responsible computer recycling in Wisconsin. Cascade has also demonstrated innovation through their

rebate program that shares revenue from recovered materials with its customers."

In 2005 Cascade constructed a new facility with several "green building" components including natural lighting and energy efficient design. Cascade is ISO 14001 certified and has been certified by the International Association of Electronics Recyclers. It is also one of the original signatories of the Basel Action Network's Pledge

of True Environmental Stewardship that prohibits "dumping" of electronics in developing countries.

Neil Peters-Michaud, CEO of Cascade, attended the ceremony and accepted the award on behalf of Cascade. "We are honored to be recognized in the state of Wisconsin and look forward to continuing our mission as we expand our services nationally," said Neil. ■

EYE ON DATA SECURITY

Tips on how to protect your information stored on IT equipment

PROBLEM SOLVED WITH RDT AND THE SAFE & SOUND® SOLUTION

A financial institution in Arizona needed a solution to destroy 300 hard drives in storage. With a strict policy of not allowing sensitive information on hard drives to leave the facility, the company's IT staff erased the hard drives manually with a degausser. The manual degaussing technique did not work well with newer hard drives because of strong shielding. More importantly, the company was unsure if the information was properly erased and the process put more burden and labor cost on an IT staff already at capacity. As a result, the company stored the hard drives away and was running out of precious storage space.



Hard drive run through Cascade's Mobile Crusher

We proposed to deploy our Safe and Sound® data destruction process on site. We dispatched our Rapid Deployment Team™ (RDT) to Arizona to perform the process. Armed with a mobile hard drive crusher, the team was able to destroy the data within 4 hours. Once the data was destroyed, our team physically locked the hard drives into our secured storage bins and shipped them back to Cascade's Madison facility to be shredded. Throughout the process our team posed no disruption to our customer's daily work routine. "We are very satisfied with the destruction of drives & the knowledge of Cascade's technicians in data security requirements," noted our customer.

The customer gained back valuable storage space for other use. Moreover, the customer was assured that the data was securely destroyed by our Safe and Sound® process and our RDT team. ■

RESALE VALUE TRENDS: REAL DATA ON SALES FROM USED IT EQUIPMENT

What can you expect that computer on your desk to be worth a year from now?

The widely respected International Data Corporation (IDC) estimates your computer will be worth half as much on the resale market after one year, based on monthly depreciation of 6%.

Cascade has refurbished and resold over 780,000 computing devices, and we track detailed information on every sale to help us determine resale trends for various IT equipment. From our data, we discovered two major findings. First, resale values for desktop PCs and laptop computers tend to **decline at less than 50%** per year. Second, when a company's refresh cycle is consistent, the **rebates they earn** from Cascade on their retired devices **are actually fairly stable**.

In order to establish the loss in resale value of different computers, we first grouped devices based on their processing speed. The Table provides a breakdown of the annual price drop for desktops and laptops of various speeds. Not all items have a three year resale history with Cascade yet.

In general, we found that laptops held their resale value stronger than desktops, and that there was more loss in value the sec-

ond year Cascade resold the equipment, compared to the first year of their resale life at Cascade.

The second trend we sought to analyze was the resale price for any desktop or laptop, given the equipment went through a four year refresh cycle. Since we've come to expect falling prices for the best new computer system sold over time, we believed resale values for Cascade's best used computers to drop as well.

Item	Price Drop During Resale Life Cycle		
	1st Year	2nd Year	3rd Year
Laptops			
P3 933-1300 MHz	14%	33%	45%
P4 1.3 - 1.9 GHz	35%	N/A	N/A
P4 2 GHz +	27%	N/A	N/A
Desktops			
P3 933-1300	31%	42%	19%
P4 1300-1900	15%	33%	N/A
P4 2000 and Up	24%	N/A	N/A

Cascade analyzed the resale price for all laptops received from a customer during 2006 (1,390 total). This customer followed a consistent four year refresh cycle for the units. Over the course of the year, we found that the average resale price increased slightly from about \$200 each to \$205 each. During the course of the year, the average processor speed of the laptops increased from about 1 GHz to 1.2 GHz. Based on our data, resale prices for used equipment held steady, if the equipment is retired as part of a consistent refresh plan.

More details on this research are available on Cascade's web site. Or, contact us for your own personal review of resale trends from your refurbished equipment and advice on how to boost your rebate returns with Cascade. ■



ENVIRONMENTALLY PREFERABLE PURCHASING : A STEP IN THE RIGHT DIRECTION

The most substantial environmental impact you can make in your IT department is to integrate environmentally preferable purchasing (EPP) guidelines into your bid specifications as you procure new IT equipment. This is also the best way to save your institution money over the lifecycle of your computing equipment.

The benefits of adopting EPP for IT equipment have been recognized by a wide cross-section of manufacturers, regulators, environmentalists and businesses who have joined forces to develop a standard for the procurement of electronics. The result is EPEAT, the Electronic Product Environmental Assessment Tool.

EPEAT includes a set of environmental requirements and a system for identifying and verifying IT products meeting the criteria. The standard includes 23 requirements and 28 optional performance criteria in the following eight categories:

1. Reduction/Elimination of Environmentally Sensitive Materials
2. Materials Selection
3. Design for End of Life
4. Life Cycle Extension
5. Energy Conservation
6. End of Life Management
7. Corporate Performance
8. Packaging

The EPEAT standard has been widely adopted and supported by the Federal government. A Presidential Executive Order issued in January, 2007 requires federal agencies to specify EPEAT products. More than \$286 billion of government IT purchases over the next seven years are now committed to EPP.

EPEAT products, and associated solutions for responsible asset retirement, yield a direct economic benefit to institutions. These products must meet Energy Star requirements, which **can save a company \$40,000 per year** for 5,000 workstations. Aberdeen Group reports that a company with a responsible asset retirement plan, as specified in EPEAT, **can save \$1.67 million** when disposing of the same number of workstations.

EPEAT is a standard available to everyone. Cascade has provided direct assistance to help institutions integrate the EPEAT language into RFP's to ensure manufacturers and VARs specify environmentally responsible IT equipment that also save the user money. Let us know if we can demonstrate how integrating this simple tool into your bid specifications can yield tremendous savings for you and the environment. ■

