

COMPUTER RE-NEWS

The Quarterly Newsletter of
CASCADE
ASSET MANAGEMENT, LLC



WINTER 2007 : VOLUME 7 : ISSUE 1

HERE WE GROW AGAIN!

Our headquarters might look a little in disarray now with all the backhoes, Bobcats, and bits of building scattered across our front lawn, but within the next few months a butterfly will emerge from this Caterpillar.

We're expanding again and this time we're constructing an addition to our 16 month old building here in Madison. This comes on the heels of our entry into the Indianapolis area with the completion of a build out of a new 25,000 square foot processing center.

At first, 26,000 sq ft of production area and 6,000 sq ft of office space seemed suitable for Madison in 2005,

but with triple digit growth and a commitment to continued investment in customer solutions, we're already in need of more space.

The 9,000 square foot addition to our headquarters in Madison will bring our total work space up to about 70,000

square feet. This expansion provides us with some much needed elbow room and allows us to improve our abundance of services with some added support. In the last 2 years, Cascade has grown from 30 employees to 84 and we expect to continue this growth, and an expansion of customer solutions, into the future. The building will also feature several training rooms available to customers and staff to provide continuing education on data security issues, environmental regulations, and recovering value from retired assets. While we add more members to our Cascade family, our customers can feel good knowing they will in turn reap many benefits.

Of course, we are continuing the integration of Green Building design and construction elements into the addition. Our reused carpet tile will be pulled up and reused again in a new conference space. Natural, inert and recycled content materials will again be used in the structure and finish work.

Construction is due to be finished by May; in the mean time we ask all of our visitors to please use our side entrance driveway and also our side entrance doorway. ■

VISTA BRINGS PC OBSOLESCENCE TO NEW HEIGHTS

If you plan to deploy Windows Vista within the next two years, we suggest you take a good look at the current state of your hardware readiness. A White Paper published by Softchoice in December titled "Lack of Vista Readiness Pushes PC Lifecycle Management to the Forefront," discusses changes required to refresh hardware for the new demands of this operating system.

The study, which surveyed 112,113 desktop units from 472 different North American organizations, reveals that most of the installed hardware is not capable of adequately handling Vista. Dealing with the retirement of these obsolete PCs will be a significant part of this upgrade project.

The data from this study were collected between the months of June & October of 2006 and indicate that 50% of the 112,113 desktops reviewed were unable to support Vista while 94% were unable to meet the requirements to run Vista in its premium or optimum configuration. Out of these PCs, 12% lack required processing power, 41% need updated RAM, 19% demand hard drive updates, and 77% need new



graphics cards.

While some of these upgrades are easy fixes for IT departments, in the absence of a migration plan detailing how to move from the current IT infrastructure to one built on Vista, your organization could expect unbudgeted expenses, resource constraints, and missed opportunities for end life PC value.

One strategy is to wait until your entire IT infrastructure is running on Vista ready PC's before switching to Vista. This allows the company to avoid upgrade costs. Twenty-seven percent of organizations are planning to wait one to two years before deploying Vista, and 33% are waiting six months to a year to help them bring in new Vista ready computers as part of their normal refresh cycle.

Regardless of which strategy you use, we find that without proper planning for a future rollout, unforeseen consequences could ensue. Before you take on the torturous task of the rollout, obtain an inventory of all hardware assets and asses the gap between your current configuration and Vista's system requirements. For more help visit Softchoice's website to determine if you are Vista ready at www.softchoice.com. ■



Construction at Cascade's Madison Facility

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

- * Collected over 27.5 million pounds of old electronics
- * Refurbished and resold or donated over 780,585 monitors, computers and printers
- * Demanufactured and recycled over 357,704 cathode ray tubes
- * Kept more than 1.4 million pounds of lead out of landfills
- * Donated more than \$207,000 worth of equipment to local charities and causes in developing countries
- * Paid more than \$3.5 million in rebates to customers



Printed by Cascade on 100% post consumer waste, elemental chlorine free paper

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The logo features a stylized eye with a globe as the iris and pupil. The globe is green and blue, representing Earth. The word "EYE" is written in large, bold, green letters across the top of the eye, and "ON THE ENVIRONMENT" is written in large, bold, blue letters across the bottom of the eye.

EYE ON THE ENVIRONMENT

MAKING PROGRESS TO DEVELOP A DOMESTIC PLASTICS SOLUTION

In late 2005, Cascade received a grant from the Wisconsin Department of Natural Resources to work on developing a commercially viable, environmentally responsible, Wisconsin-based plastics recycling system for plastics derived from electronic scrap. Prior plastics recycling for this stream was performed almost exclusively overseas, and because of the variations in the composition and mixture of plastics, contamination by rubber, embedded metals, and chemicals such as flame retardants, the plastic from electronics was used for low grade, low value applications which typically have a short useful life. Along with its partners, a Wisconsin extrusion company and the Polymer Engineering Center at the University of Wisconsin Madison, Cascade has taken many steps toward achieving this goal.

Most recently, we completed a time study to determine if using visual sorting techniques is cost effective and beneficial in creating a higher recycling yield or a product possessing more desirable characteristics. The study was conducted by training the members of our staff who package our plastic for outgoing shipments on how to identify the two main components of our plastics stream, acrylonitrile butadiene styrene (ABS) and high impact polystyrene (HIPS). These trained employees visually inspected the plastics from our disassembly operations and separated the HIPS from the ABS and other plastics prior to baling the plastics for shipment. They also recorded the time spent sorting and the weights of all sorted plastics.

By comparing the results of this time study with another study on the time required to prepare a single stream of mixed plastics, Cascade was able to determine the additional labor costs incurred using the sorting process. The cost was determined to be about \$0.01 per pound of plastic generated. If the plastics sorted in this manner result in a more useful product for our downstream extrusion partner, we may be able to recover the cost by selling the product for a higher premium.

Cascade will also take environmental benefits into consideration when we evaluate adding the visual sort process to our current operating procedures. Higher recyclability, greater yield, and product improvements as determined by our processor as a result of this process may be reasons to continue this process. Results from this project will be shared with others in the industry to assist with creating a high-volume, reliable stream from mixed electronics more conducive to larger high-grade manufacturing operations.

Future research planned to assist in our goal of developing a domestic plastics solution includes a project to study occupational exposure to brominated flame retardants to electronic recyclers. Continuing research is critical to the development of the industry, worker safety, environmental protection and sustainability. Cascade hopes to continue projects such as these to promote industry goals and best practices. ■

The logo features the words "DATA SECURITY" in large, bold, blue letters and "UPDATES" in large, bold, green letters below it. To the right of the text is a stylized illustration of a white domed building, likely a state capitol, set against a blue background.

DATA SECURITY UPDATES

THE NEW CHALLENGE IN DATA SECURITY - SMALL MOBILE DEVICES

Late last year, the iPod celebrated its fifth anniversary. In its short history, Apple sold 68 million of these units worldwide. With more than **1 million terabytes** of personal music, video, and text data stored on the hard drives in these devices, there's a treasure trove of revealing information hanging on people's necks and clipped to their belts. What other technologies have and will be introduced that cause consternation from risk managers, CIOs and business owners regarding how they protect themselves from the release of corporate data from small storage devices?

More and more mobile computing devices and portable media storage units are capturing and sharing information through electronic means at a rate that rivals paper document archiving. Cell phones, PDAs, thumb drives, and iPods are today's mobile technology leaders. All of them are enjoying increased storage capacity on their flash drives or hard disk drives (HDD). Hitachi estimates it will produce hard drives with a 2 Terabyte storage capacity by 2009. As they are retired from use, these storage devices contain a detailed history of the activities of the previous owner.

The fastest growing challenge of a company's IT manager is to recognize the **wide range of data storage devices** that must be handled for secure disposal. He will need to become proficient in managing this vast array of equipment to effectively ensure the company's risk from

data loss is mitigated.

Although hardware and software manufacturers are being pressured to integrate data security features into their products, IT managers still need to institute and develop an information management program to demonstrate data are secured on these devices. Microsoft plans to include a data encryption tool in its new Vista operating system that can lock down data when the unit is compromised. IBM's biometric logon system offers a convenient tool to authenticate an authorized user and thwart others. Other software firms are writing code that will "self-destruct" recorded data whenever a computer is removed from a company network or accessed inappropriately. While all these tools are helpful, the IT manager needs a comprehensive program to track and verify the destruction of data on all storage devices in their domain.

The same month the iPod celebrated its fifth anniversary, the HDD turned 50 years old. Despite all the changes in technology in the past half century, and the accelerated improvements in store for the next 5 – 10 years, the common need to manage electronic media containing personal information is persistent. What changes is the application of these media into new technologies and how the IT manager ensure the secure and environmentally sound retirement of these assets. ■