



# **ITAD Sector: Back to Square One**

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And how disruptive are the changes ahead

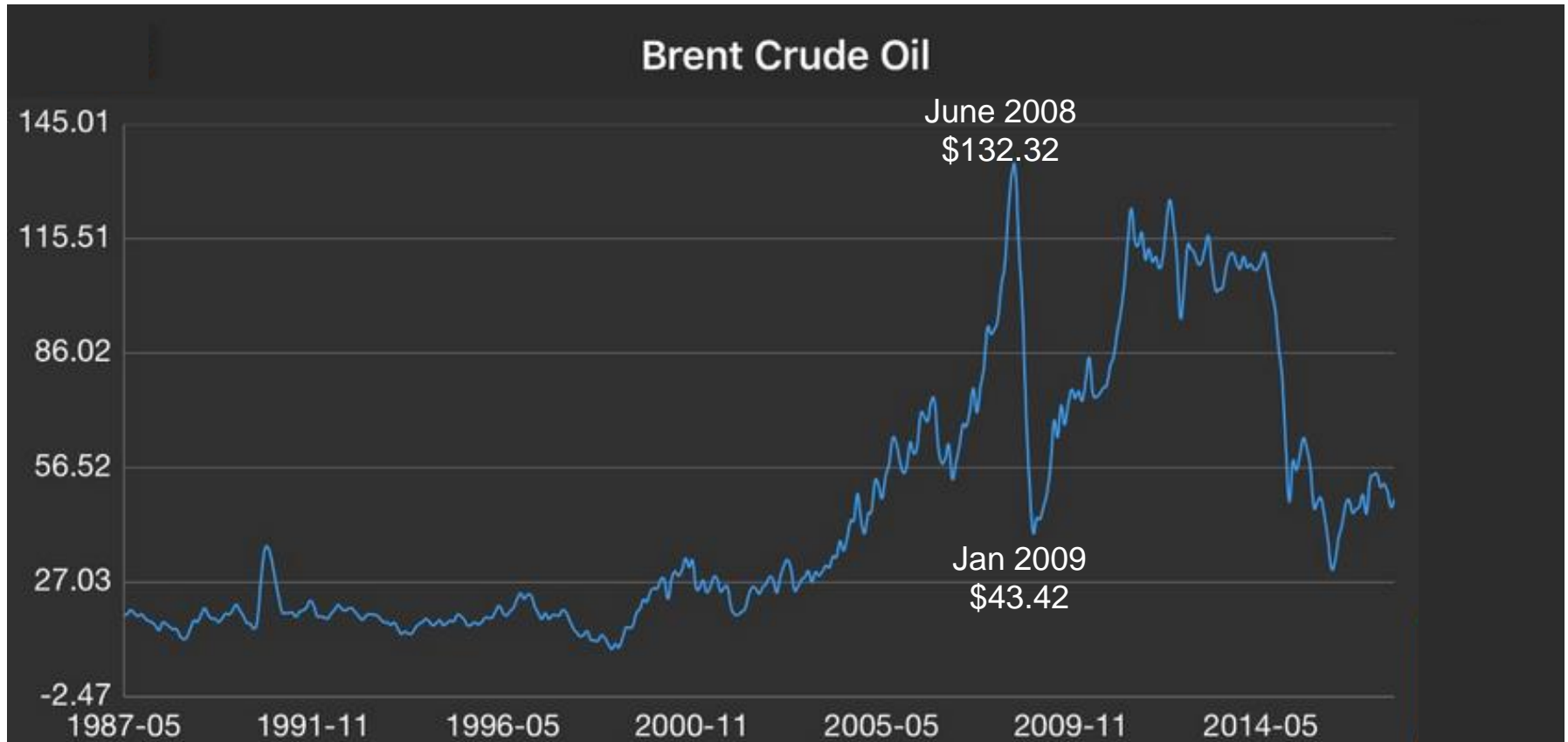
By **DAVID DAOUD**  
Director of Research

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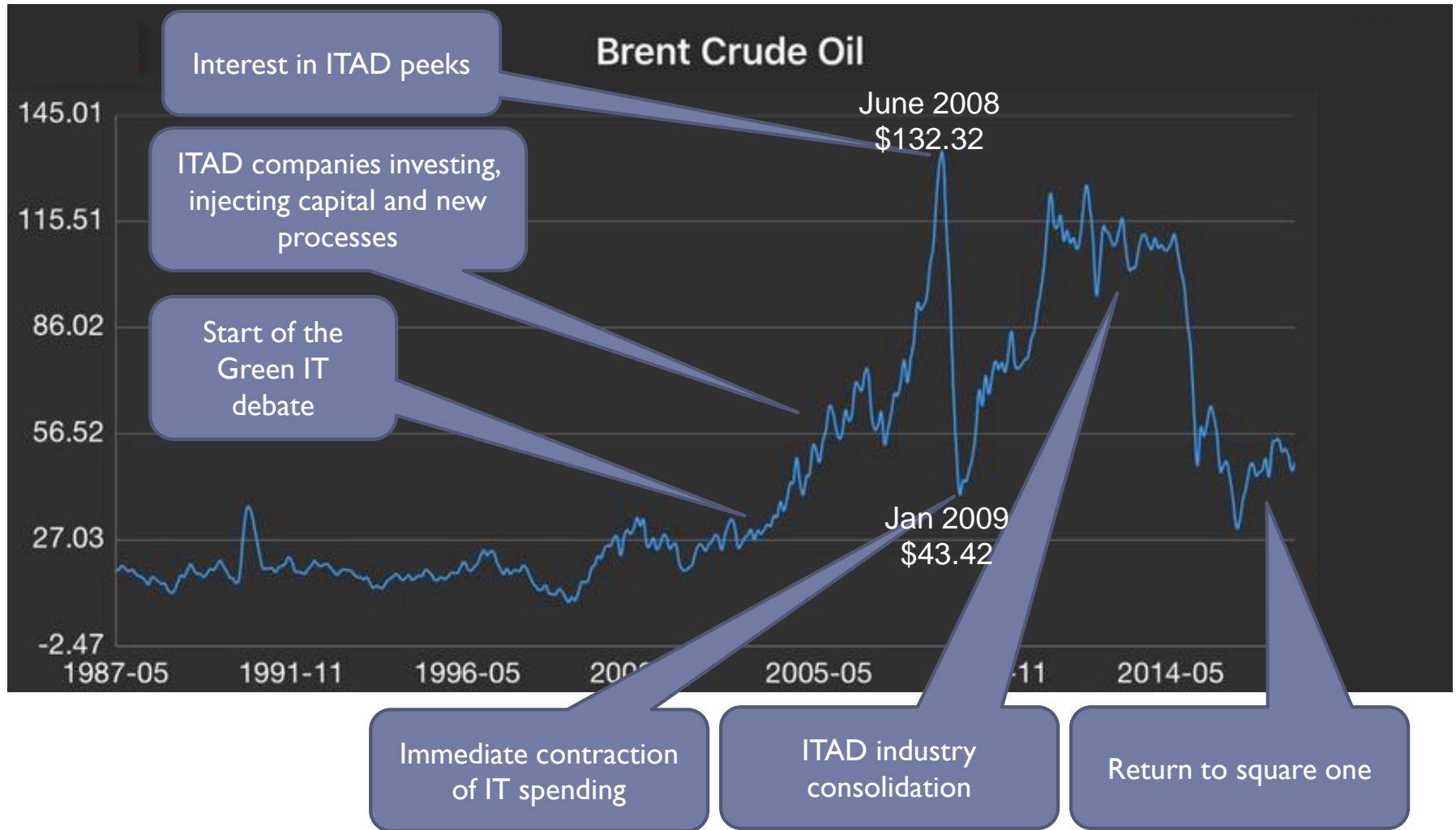
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# HISTORICAL: THE OIL FACTOR

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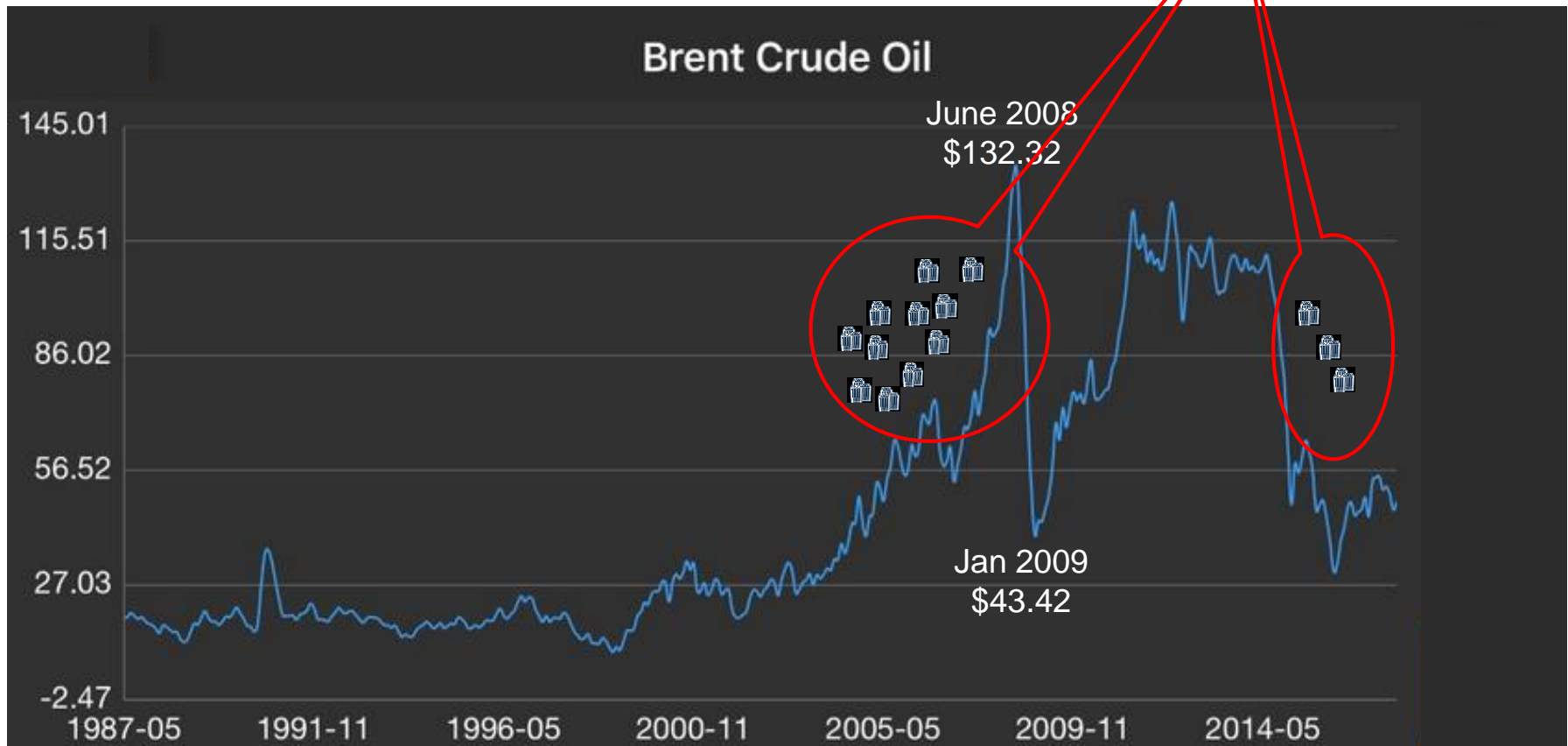


# EVOLUTION OF ITAD SECTOR IN THE U.S.



# REDUCED SUPPLIER SIDE

Clusters of independent ITAD providers pre-and-post consolidation



# WHO OWNS THE MARKET

Market Size: low

Local providers

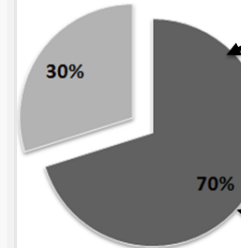
Indep. ITADs

Core+

Conglomerates

Large companies that use outside ITAD pros

■ Yes ■ No



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Core+

Conglomerates

Independent ITADs

IT equip./component distis

Recyclers

Logistics & miscel.

Others

OEMs

Leasing/Financing

Large Distis.

Syst. Integrators

Market Size: big

# INDUSTRY DEVELOPMENTS

## Local providers

- Still active at local level
- But numbers dwindling
- And legal turmoil

## Indep. ITADs

- A very few good firms still standing
- But outlook is highly compromised
- Unable to differentiate
- Old value-propositions around data security, environment still the same as in 15 years ago

## Core+

- Major players in very bad shape
- Business model undefined. Lot of contradictions. ITAD in conflict with core activities.
- Internal organizations and employee morale are big obstacles

## Conglomerates

- Perpetual transition within their core businesses, divisional conflicts
- ITAD units tend to be seen by management as secondary, lack of champion at the very senior level
- Lack of resources

# END-USERS CONFRONTED WITH LOWER SERVICE QUALITY, DECLING INTEREST

*“Meeting with XYZ vendor is like organizing a wedding, it’s painful”*

Procurement chief at major media company

## Some Facts

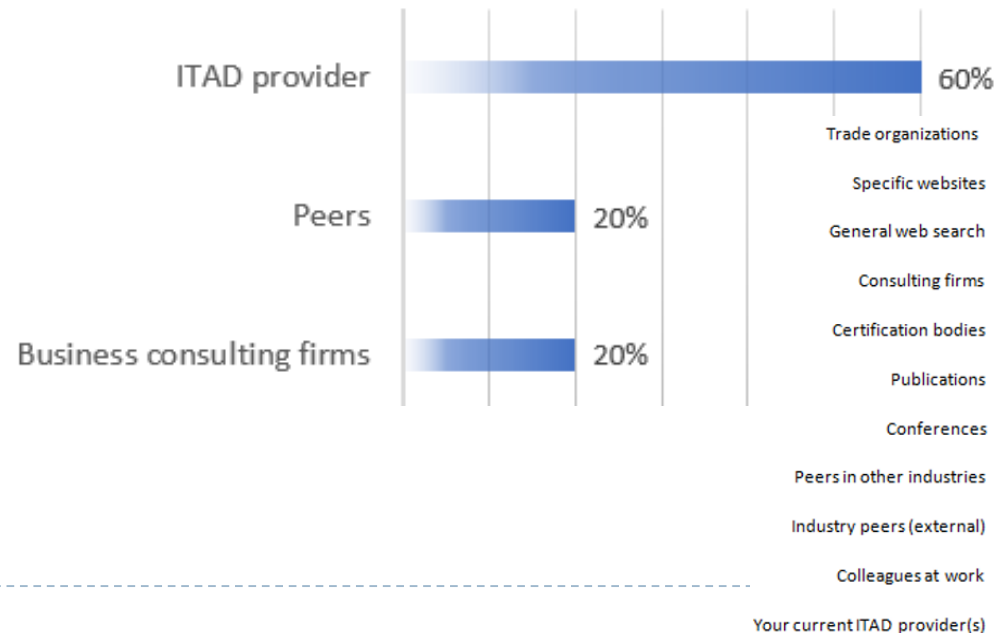
Green IT no longer a driver, corporate interests in hardware optimization eased. Data security is major concern, but cost containment contradicts that concern in terms of resources

Independent ITAD space substantially reduced, reducing options and choices for end-users

Core+ unable to execute and integrate acquired entities. Offerings clash with end-user expectations

## And YET ITAD industry can drive the agenda

### SOURCES OF INFO, EDUCATION, RECOMMENDATIONS



# SECTOR WITH LIMITED ATTENTION

## Site of a major IT publication

**BrandPost** Sponsored by HP PageWide

### Why Your Small Business Should Go Green Today

Studies show that nearly half of all small businesses haven't implemented any sustainability practices at all.

09/19/2016 | Small Enterprise IT | **BrandPost** Sponsored by HP PageWide



**NEWS**

### There's GOLD in them thar electronics!

Gold is considered a particularly good conductor, but much of it is never recovered from electronics and reused.

09/02/2016 | Computer Hardware | News

## Site of a major IT management assoc

IT Asset Management | Software Asset Management | Software Licensing | USA Conference

Home > Search results for ITAD

### North America Leading The Way In ITAD

Apr 30th, 2012 0 Comment



North America Leading the Way in ITAD At the IAITAM Annual Conference and Exhibition in Las Vegas last October there was a significant depth of interest in ITAD; an ITAD Vendor was a platinum sponsor of the conference, a whole track with many interesting sessions was devoted to ITAD, and in the exhibition hall at least a third of the exhibitors were from or related to the ITAD industry. This made me...

### ITAD Chain of Custody Case Studies – Challenges & Common Excuses

Oct 17th, 2011 0 Comment

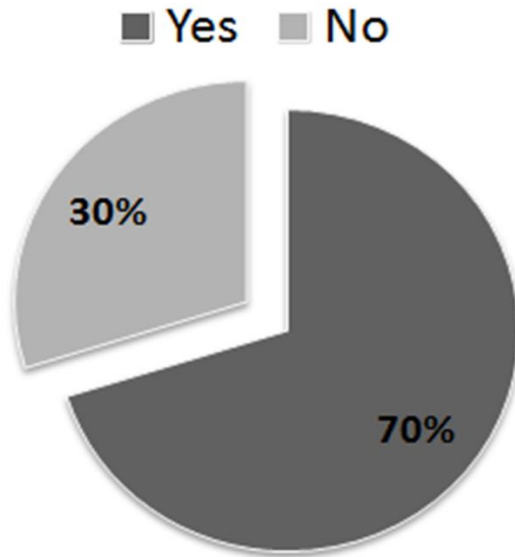
ITAD Sleight of Hand- now you see it, now you don't.... This article has been contributed by Kyle Marks at Retire-IT. In his previous article Kyle explored the value of process in IT Asset Disposal... in this article Kyle explores some...



# AND SO PRACTICES HAVE NOT IMPROVED

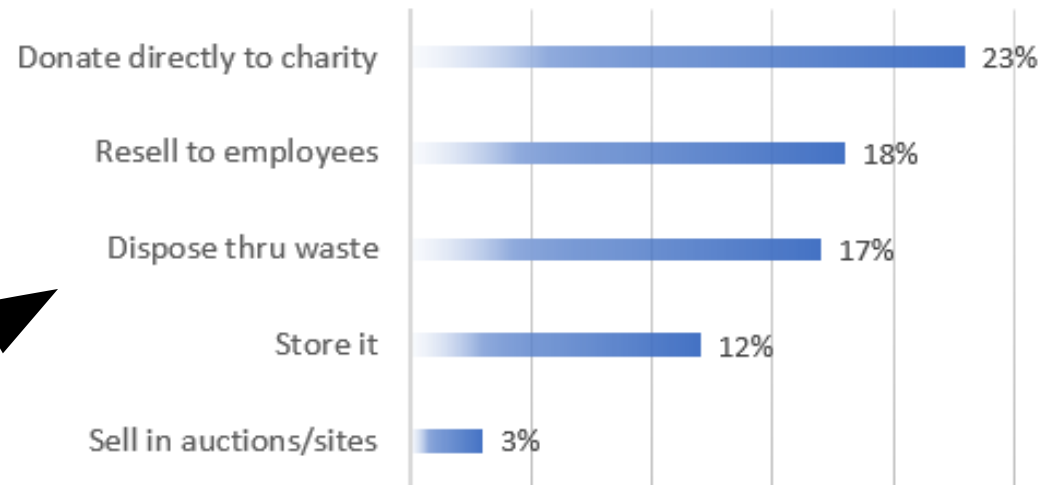
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Large companies that use  
outside ITAD pros



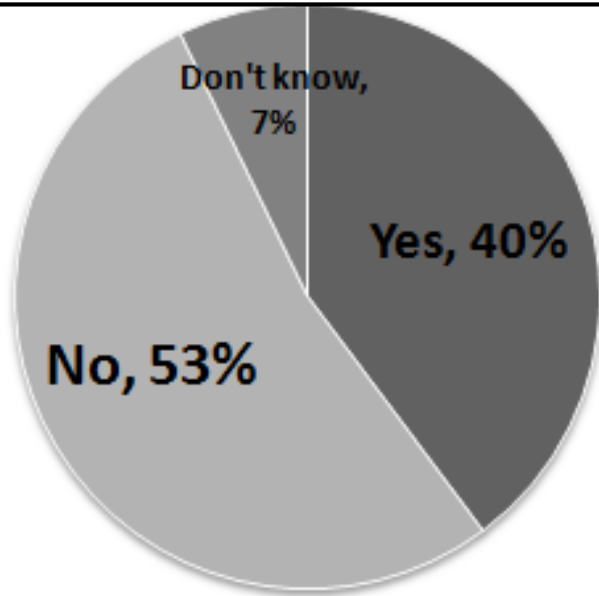
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## WORSE ROUTES TO PC DISPOSITION

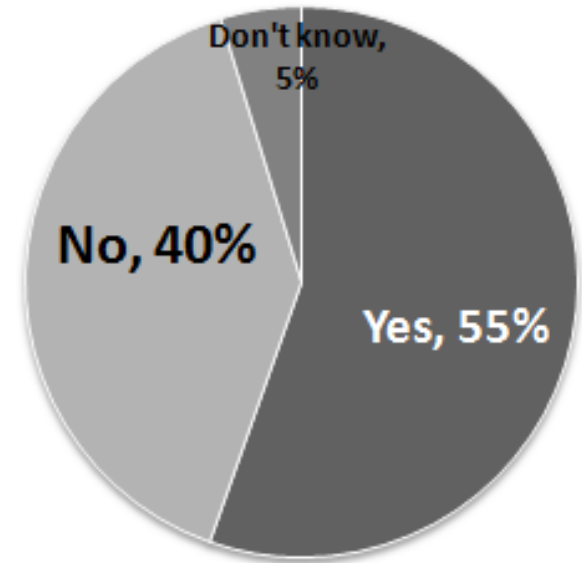


# AND SO PRACTICES HAVE NOT IMPROVED

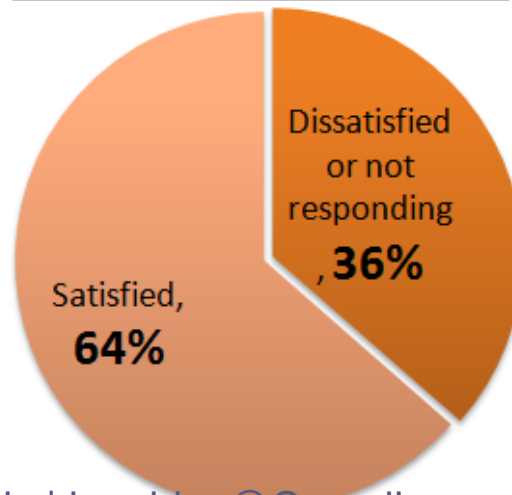
Technology to track laptops?



Actively monitor retired assets thru ITAD online tools?

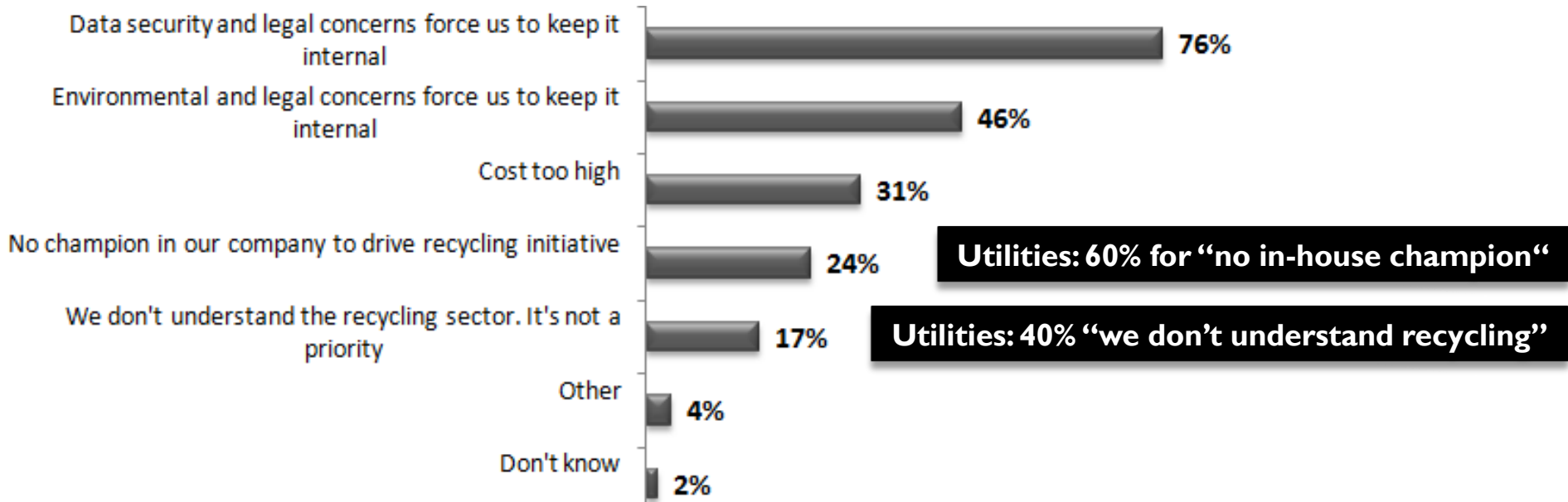


Satisfied with your ITAD provider?



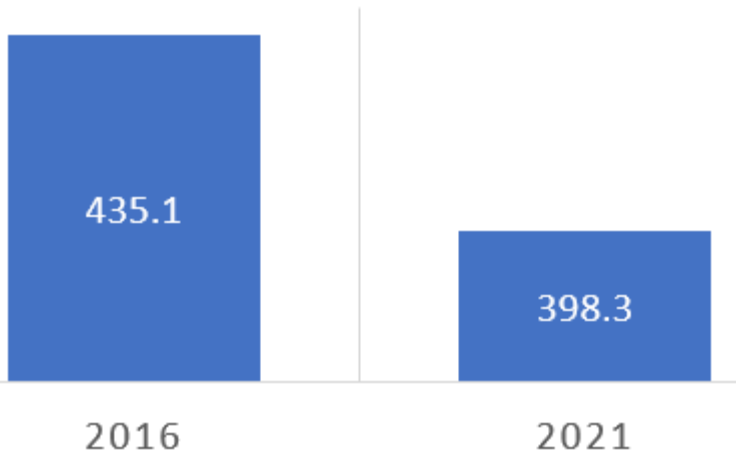
# AND SO PRACTICES HAVE NOT IMPROVED

## Companies that do not outsource ITAD function: top reasons



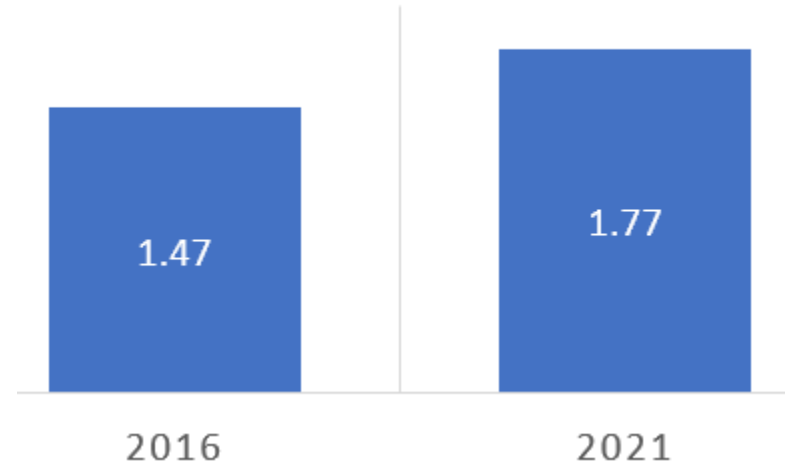
# The challenges / Opportunities

PC SHIPMENTS PER IDC FORECAST



In million of units  
A five-year compound annual growth rate of -1.7%  
Form factors of desktops, notebooks, and workstations, and tablets (slates and detachables)

SMARTPHONE SHIPMENTS PER IDC FORECAST



In billion of units  
A five-year compound annual growth rate of +3.8%

Watch for ASP erosion, intense competition in brand new systems eroding margins in secondary market.

# The challenges / Opportunities

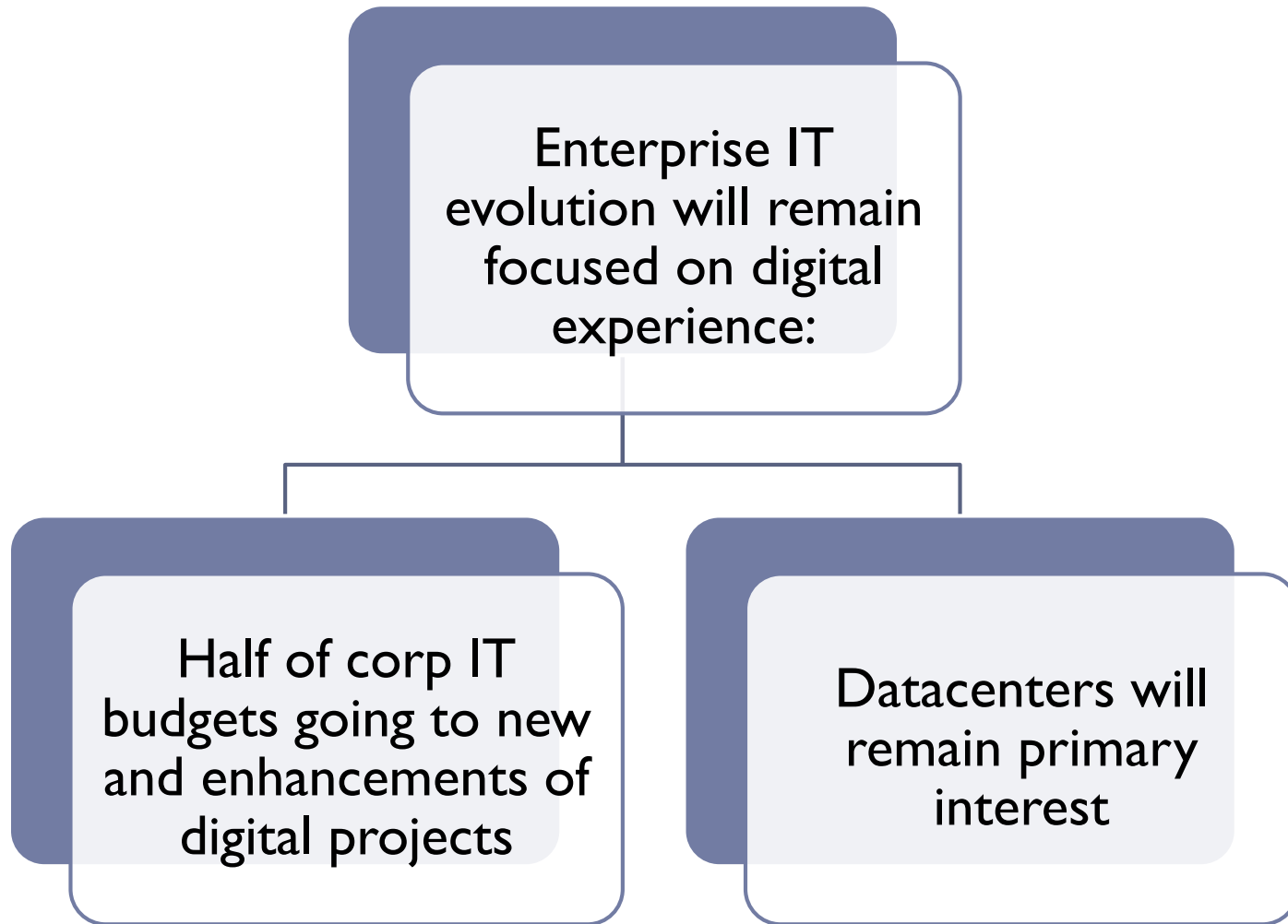
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Less about hardware  
component performance  
and processor metrics

More about devices that  
interact seamlessly with  
the cloud: all about  
datacenter performance

# The challenges / Opportunities

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# How do ITAD vendors prepare?

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- Secondary markets will always exist, but great deal of uncertainty over the scope and size
- Think hard about service oriented offerings. Very hard to sell, but longer-term payoff is positive
- Be very clear with your business model but also be willing to adjust
- Revisit frequently your business model, sales strategy, go-to-market approach. Understand the channels, and be willing to revamp your organization

# Contact

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