



Case Study: Data Center Decommissioning

Service Providers in The United States Fastest Growing Fully Integrated Data Center Return Net Gain for One of the Largest and Excess Logic Enabled a \$1M Annual Total

Challenge

With over 10 million customers using its custom data centers, colocation, and cloud services, the Company is known for its world-class data centers and innovative products which are designed to meet the changing needs of their users. The client offers the only fully-integrated data centre providing managed hosting and cloud services for IT decision makers in complex, high pressure environments for those needing assistance in managing and protecting their critical data during a time of unprecedented change. The Company frequently updates its equipment in its nationwide-distributed data centers to keep pace with expanding cloud computing demands. Their aggressive upgrade program, combined with their routine replacement of failed hard drives creates a rapidly-increasing volume of equipment which needs secure decommissioning. The Company had an crucial need for a more efficient and scalable solution for managing their mass disposition of equipment in alignment with its cloud infrastructure strategies for reliability, security, compliance, and environmental sustainability.

Solution

Through its online global sales distribution network and multiple online venues, Excess Logic provided the client with a comprehensive decommissioning solution for their data centers, collocation and hosting companies. The solution included dismantling, removing, and recycling all hardware such as servers, disk arrays, tape subsystems, networking gear, and other data center equipment. Excess Logic remarketed the sanitized assets through its global sales distribution of system integrators, manufacturers and value-added resellers. The result was a maximization of returns through proven marketing and sales strategies which allowed the client to triple its recovery rates in comparison to traditional auctions and ITAD companies. Excess Logic also R2-Certified recycled assets that could not be resold or reused and supplied the client with all regulatory required documentation and certificates of destruction for the equipment. Excess Logic ensured transparency by providing the client with its custom asset and market reports.

Results

As a direct result of Excess Logic's solutions, the client has realized an annual total return savings of \$1 million (25 clusters per year, \$40,000 in net gain per cluster), as well as increases in revenue potential, equipment yields, reduced labor and disposition costs, and mitigated its risk related to data sanitation.

The implementation of Excess Logic's speed and scalability programs reduced the number of work days for processing a data center cluster from 10 days to 2 days, which has the potential to generate an increase of \$40,000 of revenue per cluster processed. The client had been processing roughly 1,000 drives a month with an average value of \$80, and this upsurge in yield equates to an annual increase in remarketing revenue of \$1 million. Furthermore, the solution has delivered an 80% yield for the 2TB+ large-capacity drives that previously were being destroyed.

Excess Logic's solution also reduced the number of man-hours expended for processing a data center cluster by 80%, which regains approximately 2,000 additional valuable IT man-hours per year to focus on the performance and availability expectations for the Company's growing services portfolio.

By successfully erasing substantially more drives than were being destroyed, the Company was able to eliminate the cost of alternatively shredding those drives, and were able to offer whole units to be remarketed. The efficient solution allows the Company to erase drives of any size, type or manufacture onsite and in-cabinet, therefore eliminating the need for the drives from ever leaving the premises and closing a critical security gap the Company had identified. Excess Logic further reduced disposition costs for the Company by including fees for the recovery and offsite processing of assets within their remarketing share.

300%

Increase in recovery value in comparison to previous return

2,000

Annual IT labor hours freed to refocus on customer valued-add revenue activities

80%

Yield for 2TB + large-capacity drives that were previously being destroyed

"In roughly a years time, Excess Logic has earned our trust to become our strategic partner by providing us with all of our data center sanitization needs. They have proven that their reliable and scalable solution can handle our data center decommissioning needs across all of our data centers in California. As our existing contracts expire with other vendors, Excess Logic will be implementing their proven solution company wide."