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# Sims Lifecycle Services Accelerates IT Asset Disposition to Meet Demands of the AI-Driven Future



**The iMasons Legacy Podcast**  
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Sims Lifecycle Services Accelerates IT Asset Disposition to Meet Demands



## The Evolution of ITAD

**A**s demand for cloud computing and artificial intelligence services accelerates around the world, new business models are emerging for companies that deal in used information technology equipment from data centers, according to leaders in the field known as IT asset disposition (ITAD).

Traditionally, ITAD has operated as a linear business. Decommissioned servers and related hardware from a client such as a hyperscale data center are sent to an ITAD provider, where data is securely destroyed through physically shredding or certified wiping. Assets are then sorted for resale, recycling or component recovery.

“What’s changed is we redeploy a lot of the same material back to the data centers,” said [Sean Magann](#), Chief Commercial Officer at [Sims Lifecycle Services](#) (SLS), a leading supplier of ITAD and e-waste recycling solutions. “Items will be decommissioned. We’ll bring them in, test, reprogram and relabel the components and send those components back to the hyperscalers.”

These remanufactured components allow the hyperscalers to maintain their accelerated growth, extend the life of hardware and reduce waste. The shift has required the SLS team to think like a manufacturer, paying close attention to quality control and assurance to comply with the hyperscalers’ operational standards, noted Magann.

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— Sean Magann  
Chief Commercial Officer,  
Sims Lifecycle Services





## The Evolution of ITAD

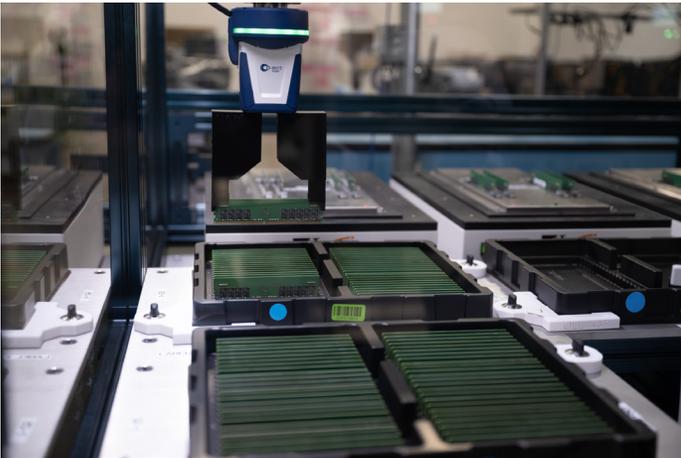


Photo courtesy of Sims Lifecycle Services

**“When a car is done with its first owner, you don’t go melt it down—you reuse it. SLS ensures our industry is being as sustainable as possible by using what we’ve got for as long as we can.”**

— Dean Nelson,  
Founder & Chairman,  
Infrastructure Masons



The emphasis on quality control, in turn, is leading SLS down the road to greater use of automation and robotics to gain efficiency, reduce human error and free up labor to focus on higher value work, such as developing new solutions for remanufactured computing hardware.

This transition to what SLS calls “ITAD+®” also reflects recognition within the digital infrastructure industry that today’s latest and greatest hardware will remain functional and valuable for years after new equipment is released, noted [Dean Nelson](#), Founder and Chairman of [Infrastructure Masons](#) (iMasons), a global nonprofit professional association for the builders of the digital age.

Nelson is also Chief Executive Officer of [Cato Digital](#), a low cost, low carbon compute platform that uses SLS hardware. He likens SLS’ ITAD+® model to the market for pre-owned cars.

“When a car is done with its first owner, you don’t go melt it down, you reuse that car because it has a lot more miles left in it,” he said, explaining that “SLS ensures that our industry is being as sustainable as possible by using what we’ve got for as long as we can and then recycling it responsibly.”



## Memory Recovery

SLS' focus on remanufacturing and redeployment leverages greater standardization throughout the digital infrastructure industry spearheaded by the [Open Compute Project](#) (OCP), an organization that promotes open-source hardware specifications for servers, racks and other components in data centers.

(OCP and the [iMasons Climate Accord](#), an iMasons initiative to drive decarbonization across materials, equipment and power, have a strategic partnership to create scalable and sustainable digital infrastructure.)

“OCP has allowed for folks like us to be informed of the equipment that’s in the data centers years ahead so that we can prepare and understand what’s going to be coming through the doors,” explained [Brian Sanchez](#), Technical Development Director at SLS. “And the components are trending toward fewer variables and varieties.”

For example, the fourth generation of memory used in data center servers is all the same shape and size, which allows SLS to deploy automation and robotics in the recovery, testing and redeployment of computer memory.

Refurbished DDR4 memory, in turn, unlocked new business streams for SLS that help data center developers and operators navigate supply chain constraints around DDR4 memory,

which original equipment manufacturers are phasing out to retool for the fifth generation of memory, DDR5.

Sanchez’s team has implemented automation and robotics to perform repetitive steps in the process of sorting, testing, inspecting, and relabeling the memory for reuse, which involves picking the memory from trays, identifying the original label and applying a new label over it.

**OCP-driven standardization is enabling automated recovery and redeployment of data center memory.**



## Memory Recovery

Relabeling tested memory enables clear traceability, ensuring any future issues can be quickly linked to their origin for effective resolution, Sanchez noted.

“We had been doing that manually for years,” he said. “And that’s a repeated process that can lead to injuries from repeated motions and sitting in the same position. Your fingers can go numb. We identified that as a great use case for technology to automate and the team members can be moved to a new position or upskilled to operate the robots.”

This refurbished memory is then redeployed in data centers primarily as part of [Compute Express Link, or CXL, memory pooling](#), an emerging technology that allows the sharing of memory among multiple servers in a data center, thus saving cost and increasing resource use efficiency.

“We’re seeing DDR4 prices double, even triple, from where they were six months ago,” said Magann, explaining that SLS’ ability to cost efficiently recover memory from tens of thousands decommissioned servers and redeploy them to the data center in CXL is a win-win solution.



Photo courtesy of Sims Lifecycle Services

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Sims Lifecycle Services





## RackRenew

SLS is also leveraging OCP equipment from hyperscale clients in its [RackRenew](#) brand to feed the market for refurbished server racks. In this case, instead of stripping decommissioned servers for parts and recycling the rest, the company takes the high-performance computing equipment and remanufactures it for second-life use by other clients.

“We see RackRenew as an opportunity to remanufacture super high-performance and energy-efficient innovative IT and compute and bring it back to the digital infrastructure industry,” said [Jelle Slenters](#), Commercial Director at SLS and a key member of the RackRenew team.

The decommissioned OCP servers are wiped clean of proprietary data, outfitted with OCP standard firmware and remanufactured to buyer specifications, he explained.

The remanufactured racks are sold to clients that benefit from affordable hyperscale compute such as bare metal to startup companies, research organizations and infrastructure-as-a-service providers.

“One of the challenges is how do you use open compute hardware” which is different than systems sold by brand name retailers, said Nelson. “We embed Cato’s bare metal software platform on it to offer a RackRenew solution to anybody.”

**“We see RackRenew as an opportunity to remanufacture high-performance, energy-efficient compute and bring it back to the digital infrastructure industry.”**

— Jelle Slenters,  
Commercial Director,  
Sims Lifecycle Services



Photo courtesy of Sims Lifecycle Services



## Rare Earth Recycling

Ultimately, IT reaches end of life. This is where SLS' role as a traditional ITAD company comes into play, albeit updated with automation and robotics to meet the scale and efficiency demands of the AI age.

For example, SLS has developed a process that employs computer vision and robotics to shear off the corner of hard disk drives that contain magnets made of neodymium, a rare earth material. These sheared drives are then processed downstream for material recovery.

“In a perfect world, we'd manually dismantle every hard drive, extract the magnets, and toss them in a bin to resell,” said Sanchez. “But that's just not realistic. Manually getting to that magnet is incredibly labor-intensive and time-consuming. Because of how difficult the process is, we invested in developing an automated system that can do the work efficiently and at scale.”

As the digital infrastructure industry has evolved and adapted to the age of AI, SLS is finding new business streams that keep more equipment and components in circulation for longer – from memory cards to server racks and, increasingly, the parts and pieces that keep the digital economy humming, noted Slenters.

And, as AI transitions from predominantly training models to using the models, known as inference, he sees an opportunity for SLS to play

an even larger role. That's because inference AI may require thousands of data centers deployed in and around population centers for low latency interactions with users.

“Maintaining a single large hyperscale data center is one thing, but supporting this technology across 2,000 distributed locations makes maintenance, repairs and spare-parts management exponentially more complex,” Slenters said. “And we hope to become the critical supplier to those supply chains.”

## Summary: Driving a Circular Future for Data Center Technology

SLS is evolving traditional IT asset disposition into a circular, AI-ready model that remanufactures and redeploys data center hardware, powered by automation, robotics and collaboration with industry partners including OCP and iMasons.



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