

The Hidden Costs of Manual Data Collection

Many data centers rely on manual processes like bar code scanning and passive RFID solutions to gather and record information about the location, life cycle, and security of their valuable data center assets. These methods are costly, time consuming and error prone. Worse, because it takes so much time to collect the data audits are typically performed only once or twice a year. The result? Strategic, business-critical decisions are often made based on inaccurate, out of date information.

\$52,000

DATA COLLECTION

Cost of manually collecting audit and inventory data in a typical enterprise data center (~500 racks, housing a total of ~15,000 assets) twice a year.

But collecting data is just the tip of the iceberg.

The initial asset inventory may be complete, but your audit is far from finished.

Costs associated with manual processes and inaccurate data just keep adding up ...

\$20,000 per year

MANUAL INVENTORY REPOSITORY DATA ENTRY

Once asset data has been collected, it must be manually entered into a back-end system to determine what percentage of assets are accounted for ... and what percentage of assets have not been located.

\$192,000 per year

MANUALLY LOCATING MISPLACED ASSETS

Throughout the year, valuable man hours are wasted while personnel search for vital assets that have gone missing or that have been relocated without proper record updates.

\$150,000 per year

REPLACING MISPLACED ASSETS

Lost assets must be written off and replaced ... at considerable cost.

\$300,000 per year

ASSET INVENTORY RECONCILIATION

Inaccurate, incomplete, or outdated asset location information results in lost assets -- typically 20% or more enterprise assets cannot be located in the initial audit process. The effort to track down missing assets requires weeks of additional effort, typically at costs that far exceed the expected costs of the audits.

ESTIMATED COST OF MANUALLY TRACKING THESE ASSETS?

\$714,000 per year

Using manual methods like spreadsheets or bar codes.

\$694,000 per year

Using a passive RFID system with automated data entry.

Source: <http://resources.rfcode.com/on-demand-webinar-how-ibm-reduced-the-time-cost-of-tracking-data-center-assets>

Automation is the key to efficiency, accuracy, and savings.

After deploying an automated asset management solution from RF Code in their data centers, IBM improved inventory accuracy from 71.7% to 99.7%, reduced asset reconciliation time by 80%, reduced time spent locating misplaced or lost assets by 94%, and eliminated virtually all costs associated with the manual inventory process.