

Trash *to* Cash

How Businesses Can
Save Money
and
Increase Profits



Fran Berman

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Here is your one-stop implementation guide to an effective, ongoing corporate paper recycling program.

Learn how AT&T saved \$178,000 in waste hauling and disposal costs at a single site and how McDonald's Corporation saved \$2.6 million through a simple packaging change.

KEY FEATURES:

- Comprehensive implementation guide for those serious about saving money...
- Important case studies...
- Detailed cost-saving action areas such as consumption, waste volume, and energy efficiency...
- Fully illustrated: charts, graphs, diagrams...
- Extensive bibliography and glossary of terms...

Learn how one company found how to save \$50 per ton on waste paper dumping fees and earn \$80 per ton in recycling revenues.

ABOUT THE AUTHOR

Fran Berman, MBA, is a speaker, consultant, experienced software and sales skills trainer, accredited foreign language teacher, and Zenger Miller certified instructor. She is an active member of the National Speakers Association, Sales Automation Association, American Society for Training and Development, Recycled Paper Coalition, and California Resource Recovery Association. Her articles have appeared in the *Los Angeles Times*, *Orangespiel* magazine, and *Sales & Marketing Management* magazine. Fran has spoken on various aspects of technology and automation before diverse audiences. She provides keynotes, breakouts, seminars, and software training and manages special projects relating to computer technology and sales force automation and how they can be used to lessen our impact on the environment.



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CHAPTER 7

GIORDANO PAPER RECYCLING CORPORATION

Humble Beginnings

Giordano Paper Recycling Corporation (GPRC) calls itself “The Paper People” and with good reason. Anthony Giordano, President, learned about paper recycling from his father and grandfather at A. Giordano & Sons in Newark, NJ. But he didn’t take over the family business. His grandfather sold it upon retirement.

After trying to find satisfaction in various jobs, Anthony returned to the business he knew. With a \$10,000 loan and one employee, he started his own paper recycling company in 1974.

His first big customer was a Fortune 500 company. Anthony saw how much mixed office paper it was throwing away. Waste disposal costs were climbing, and related legislation was popping up across the country. His competitors were collecting only high grade white and computer paper. Their labor costs were high because they hired people to manually remove all other paper-based items as well as the usual contaminants. Giordano wondered if mixed office paper could be put to better use and still turn a profit.

As if reading Anthony’s mind, the Fort Howard Paper Company mill operator in Green Bay, WI, called him. With a new mill opening in Georgia, Fort Howard wanted a steady supply of secondary fiber. Anthony told the paper manufacturer that if it could handle sorted office

paper, he could give them a dependable supply right from his own back yard. That began a synergistic relationship. Fort Howard developed processes to recycle office paper into other paper products, while Anthony prospected for customers who could supply the “raw” materials.

After about a year of trial and error, he finally succeeded in recycling mixed loads. He took all kinds of paper without his customers having to remove the rubber bands, staples, and paper clips. Anthony accepted even window envelopes, magazines, and junk mail. The paper mill mechanically sorted all the staples, paper clips, rubber bands, metal strapping, and baling wires after pulping. The metals salvaged in the process were also recycled, generating incremental revenue for the mill and saving landfill space. By 1985, Giordano and one mill were recycling over 300 tons of paper, newsprint, and corrugated per month. Over 100 tons of that was office paper.

Timing Is Everything

In 1984 while GPRC was still developing its processes, AT&T in Basking Ridge was looking for a solution to its waste paper dilemma. Giordano came to the rescue. Another synergistic relationship blossomed.

Anthony's goal was to provide a way of capturing the widest range of paper as conveniently as possible. He achieved this goal with his “two-can” recycling system: a large under-the-desk trash can for all paper, and a smaller garbage can to hang inside or outside the larger one. In the decade that Anthony has been propagating his two-can method, he has distributed more than 365,000 sets of trash cans to his customers.

He recalls the skepticism of eight of the ten AT&T task force members. They had been satisfied using his services for their office white paper recycling, and doubted that a mixed paper program would be better. How could this work and not cost AT&T money?

Anthony explained the economics. It would cost \$50 per ton to send it to the dump. AT&T was getting \$80 per ton to recycle white paper and saving on disposal costs. Mixed paper was paying only \$20 per ton. Would the corporation lose \$60 per ton by commingling? Anthony showed task force members that by capturing 90% of what they were throwing away, they'd make up the difference in volume and then some.

It didn't take long for him to produce results. He estimates that he gets an average of 2-3 pounds of recyclable paper per person per day.

Anthony's prospective customers are also often skeptical that there's any money in recycling mixed paper. He refers them to 30 or 40 of his largest customers. Just a few phone calls and testimonials of the high recovery and reimbursement rates win them over.

GPRC has become the unequivocal recycler of choice among Fortune 500 companies in New Jersey, Pennsylvania, and New York.¹ In 1995, New Jersey Governor Mrs. Christine Todd Whitman recognized GPRC as one of the top-twenty privately held corporations in northern New Jersey with which to do business. The company also received the Award for Outstanding Achievement in recycling from the New Jersey Department of Environmental Protection for five consecutive years.

Sometimes competitors try to woo away his customers and prospects by offering the second trash can free. Anthony points out to them that nothing is free. Either the cost of the cans will be built into their monthly payments, or the suppliers will remove the cans when their contracts expire even though the customer has already paid for them. Anthony's customers recuperate the low start-up costs within the first few weeks of using the two-can system.

Today, AT&T and other GPRC customers recycle more than 90% of their waste paper by following this simple system. With over 60 employees and growing, the distinguished recycler boasts a 3,000-4,000% increase in volume over 1985 when he started his office paper recycling program. Now he recycles paper, newsprint, and corrugated in excess of 10,000 tons per month, of which 4,000 tons are sorted office paper.

Anthony gets very clean loads of paper from his customers. With the two-can system, food containers and scraps are not usually a problem, although contaminants such as candy wrappers and waxed boxes do creep into the mix from time to time. GPRC workers manually sort this waste while the mills extract the rubber bands and metals. Of the average 10,000 tons collected each month, only about 0.8% or 80 tons are actually thrown away.

Anthony offers a confidential document destruction service, either at the customer's site with a portable shredder or at GPRC. "Giordano

Paper Recycling Corporation has installed a new paper shredder capable of destroying up to 5 tons per hour...in a secure area monitored 24 hours a day by guards and close-circuit TV....Customers can now witness the destruction of their materials in the comfort of an enclosed office in full view of the entire process.”²

GPRC's recycling specialists stay current on recycling and waste legislation. They evaluate the customer's site, suggest the most efficient, economical recycling program, set up internal procedures, and provide educational materials.

He Who Laughs Last

When Anthony first started his mixed paper recycling campaign, his competitors laughed at him. Now Anthony and his customers are the ones who are laughing with the satisfaction of knowing how many resources they've saved and the reimbursements and cost avoidance that have gone straight to their bottom lines. Being a pioneer and getting into the market early has put Anthony way ahead of the pack with a solid customer base and a network of partnering vendors.

Crystal Ball

What does the future hold for recycling? Anthony sees a bright future with increasing volumes and continued growth.

He says that all the major mills have converted to newer technology that allows them to economically recycle all grades of paper. Others will have to do the same within the next few years to be competitive, comply with federal mandates, and stay in business. Each year the percentage of mandated recycled fiber should increase.

He sees smaller companies, multi-tenant buildings, doctors' and dentists' offices, clinics, and hospitals as another source of "raw" materials. Pooled recycling allows multi-tenant building managers to rent space cheaper because they're being reimbursed and avoiding maintenance costs.

Anthony usually sees a slowdown and lower reimbursement rates in the summer as U.S. mills close for vacations and clean-ups. The entire

European market also slows for August vacations. But this is only temporary, and the market generally picks up again in September.

More importantly, he anticipates growing global demand for paper and recycled fiber. He says that most virgin fiber for paper comes from tree farms and that with today's progressive agriculture, it takes only 15 years to grow a tree instead of 75. "But why use trees to make paper if we can make paper from paper?" asks Anthony. "Use the tree farms to supply materials for other wood products like furniture and lumber, and save our forests and old growth trees."

"Over the next year, Americans will throw away 28 billion glass bottles, 18 billion disposable diapers, 1.8 billion pens, 247 million tires, 2 billion razors and blades, 12 billion mail order catalogs, and enough aluminum to build 30 airplanes. This is why recycling just makes sense. And you'll feel good about it, too."³

As for closing the loop, "shopping in many ways is just like voting. Each purchase you make sends a message to the manufacturer that you 'vote' for their product. As a result, the product manufacturer continues to make the product in the same way.... By purchasing products made from recycled material, you support recycling programs around the country."⁴

GPRC also does business in New York, Virginia, and North Carolina. Giordano plans to expand into Chicago, San Francisco, and Los Angeles—proof that one person's trash is another one's treasure.

Why does Anthony Giordano believe any company, large or small, should implement a paper recycling program? "Because it's profitable for the customer and it's the law."

ENDNOTES

1. According to Giordano Paper Recycling Company.
2. Giordano Paper Recycling Corporation's on-hold message (Philadelphia: The Hold Company, Inc., July 1995).
3. *Ibid.* However, not all old growth forests are replanted with the same species.
4. *Ibid.*