

Setting the Standard for Choosing the Right Waste-Diversion and Recycling Partner

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Have you ever calculated the value per square inch of the space on your loading dock? When people think of high priced real estate, it's usually someplace like Midtown Manhattan, London's West End, Hong Kong's Central District, Rodeo Drive in Los Angeles or Chicago's Gold Coast. The loading dock area of a typical distribution center may not be able to compete with these more glamorous locations when it comes to cost, but value is a different story altogether.

In today's increasingly competitive marketplace, millions are spent on research and development, manufacturing, marketing, construction, labor, legal fees and all of the myriad costs associated with getting product to the consumer. That entire process is ultimately dependent upon that product successfully and expeditiously being funneled through the distribution center.

Every day, distribution center managers are faced with the constant challenge of turning chaos into an expertly choreographed routine. There is the never-ending juggling of deliveries and pick-ups with dock space, equipment, employee schedules, government regulations and a hundred other demanding details.

Modern distribution centers have undergone radical improvements, but no matter how advanced the design of your facility or how state-of-the-art your equipment is, the efficiency level of your loading dock, and ultimately your entire operation, depends on unfettered access. A loading dock that is even partially inaccessible due to stacks of pallets, discarded packaging material or any sort of debris impedes the flow of your shipping and receiving operations much the same way that a clog in your plumbing backs up your sink.

Just as dock space is a premium commodity, so is your time. Keeping the dock area clear and accessible is an essential component to the functioning of the entire process, but it is also extremely time-consuming to manage.

Setting the Standard for Choosing the Right Waste-Diversion and Recycling Partner provides today's busy distribution manager with the guidelines for meeting the challenge of keeping those docks clear. The ideal solution requires not only that dock efficiency be enhanced but also that the demands on the DC manager's time be significantly reduced. This report details what to look for in choosing the right partner to help you capitalize on the value of every square inch available in your facility.

A Typical Morning

Your day always starts early. Some mornings it feels like it wouldn't be possible to get there early enough. Maybe you have a particularly tight delivery schedule on your mind that you need some quiet time in your office to review before the day really gets going. So, instead of walking the dock like you usually do, you head straight for your desk.

Before you know it, the phone is ringing. One of your key employees is calling to say his wife is having their baby two weeks earlier than expected and he can't make it in. The shift supervisor is standing in your doorway telling you one of the dock levelers is malfunctioning and "oh, by the way, no one showed up to pick up those stacks of pallets and the north dock is pretty much blocked."

It doesn't seem like your day can get much worse, and then your boss walks in *with his boss*, ready for a tour of their top distribution center...

Maybe this hasn't actually happened to you, but chances are pretty good that you worry about having a morning just like this one. Challenges come with the job. Employees have personal lives and sometimes those lives conflict with their jobs. Even the most well-maintained equipment breaks down from time to time. These are, for the most part, unavoidable. When your boss drops in during one of these mini-crises and finds you competently reacting to the situation, it only serves to reassure him that you're the one he wants in charge.

Pallets left on the loading dock, however, are another matter. As the DC manager, the competency and reliability of your contractors and vendors are your responsibility. They can make you look like a star, or they can basically hang you out to dry. And, even though their performance has such major consequences, you actually have very little control over their actions.

Managing contractors and vendors can demand a large chunk of your time and is often a source of frustration. When they fall short of your expectations you have little recourse other than the threat of cancelation. Firing an unsatisfactory employee is difficult enough these days: cancelling a vendor contract and finding a replacement is far more involved. With the employee, those duties can be temporarily filled by another worker, but changing vendors often creates a period of time when performance goes from bad to worse.

If you start getting complaints about your janitorial service or if the landscaping is starting to look a bit neglected, you have the luxury of putting up with less than optimal service until you can find an acceptable replacement. It takes time to send out RFP's, evaluate the bids that come in and award a new contract. Then, there is the inevitable period of adjustment for the new contractor to familiarize themselves with your operation and get up to speed. If the shrubs miss being trimmed a couple of times, it's not the end

of the world. However, if deliveries get backed up because the loading dock is inaccessible due to stacks of pallets or uncollected trash, that's simply unacceptable.

The DC manager makes many important decisions, but few have greater impact than devising a plan for assuring that the loading dock area remains clear of anything that might impede the efficient operation of the facility. This requires more than sifting through a stack of proposals for dealing with the various components of trash removal and pallet and packaging material recycling. The answer lies in finding a partner and entering into a professional relationship that allows you to confidently hand off full responsibility for all aspects of waste diversion and recycling.

What Exactly Do You Need?

Before you make any choice, it's important to have a clear vision of exactly what your requirements and expectations are. This is especially vital when so much is at stake. There may be other criteria unique to your facility but, in general, what you're looking for is someone to take full responsibility for:

- Increasing the efficiency of the loading dock operations by removing all pallets, packaging materials and debris as scheduled
- Reducing operating cost through competitive pricing
- Regular audits and monitoring of the handling of waste and packaging materials
- Identifying recycling opportunities, especially those resulting in new profit centers
- Striving for zero waste to landfills through sustainability practices
- Improving collection processes through regular supervision and the application of new technologies
- Increasing the effectiveness of waste packaging, such as instituting more efficient baler practices
- Ongoing accountability through reliable and consistent reporting

Choosing the Right Partner

Now that you have a clearer picture of what you need in a partner, how do you find one that fills the bill? Due to the nature of your business and the high demands generated by the sheer volume of activity, day in day out, you need a professional with wide-ranging experience and capabilities. When you're a smaller, independent business, it's possible to take a chance on contactors who are just starting out or whose expertise is confined to

one area. That simply won't work in the fast paced world of today's dynamic distribution center.

To truly be the partner that you can count on to do it all, the contractor you select must excel in all of the areas that are crucial to your business.

The Difference Between a Partner and a Contractor

We keep referring to a partner as somehow being different from a contractor or vendor. Obviously, your new partner will be a company that you enter into a contract relationship with, so it may seem like we're simply playing with semantics here. Actually, the distinction is very important.

A contractor may very well perform every task assigned to him and do so in a competent and efficient manner. A partner takes that relationship to a much higher level. He not only does all that is expected but continually looks for ways to do more. In a partnership relationship, each recognizes that the growth and success of the other is the key to long-term success.

Partnership Criteria

Reliability

The area of reliability may be the most important of all. It certainly contributes to providing the DC manager with some much-needed peace of mind. A potential partner should have a solid reputation for uncompromising reliability.

- Reliable service according to *your* schedule, on time, every time
- Awareness of employee safety issues which require keeping docks clear
- Consistent, accurate monthly reporting
- On time payments for recycling
- Local presence which improves ability to maintain reliable staffing

Guaranteed Service and Pricing

Closely related to reliability is having the confidence that your partner will fulfill his end of the bargain no matter what is happening in the market place. This requires the resources and depth necessary to ride out market fluctuations.

- Guaranteed pricing for wooden pallet recycling
- OCC pricing based on monthly Yellow Sheet prices
- Guaranteed removal of pallets and cardboard as scheduled

Accountability

The reason you need a partner responsible for this area of your business is that you don't have the time to manage it yourself. Contractors can sometimes take

advantage of this and let the accountability portion of their job description slide. Even in those cases where ethics are not called into question, this can easily result in lost revenue or increased cost for your facility. It is important that you are provided with regular, detailed reporting on everything that is being done.

- Spot checks for loads to verify counts, weight, quality
- Monthly updated Yellow Sheet prices for corrugated cardboard
- Updates on market price changes
- Accurate and verifiable reports that include all breakdowns

Flexibility

Along with being reliable, flexibility is an extremely high value asset. Your partner should be a one-stop vendor, able to do it all. That also means having the depth and experience to foresee needs that may arise in the future and be out in front in dealing with them. This is one area where working with a recognized leader in waste diversion and recycling pays particularly high dividends.

- One-stop vendor --- saves time, reduces paperwork, improves operations
- The capability to recycle or remove whatever you have today or may have in the future --- pallets, plastic, corrugated, etc
- Able to handle specialty items like CHEP, PECO, iGPS
- Capacity to quickly adjust to changing situations and new requirements

Custom Designed, Client Specific Approach

Beware the contractor who gives you a quote over the phone! Your distribution center is unlike any other and there is no way to do an accurate assessment without spending time there. Even better, trial runs that are used for comparison with the data you have available allow for the most accurate pricing. Look for someone who views your operation as unique from the very beginning.

- Not just another customer on an account list
- Not a “cookie cutter” approach. Specialists that can work with you to improve operations, customize your recycling program, meet regulatory requirements, increase diversion rates and work to eliminate any negative impact on the environment.

Responsive

It goes without saying how important reliability is. Knowing that your contractor is going to be there as scheduled is essential. But what about when things suddenly change? What happens when shipments are redirected at the last minute or any of a dozen unexpected scenarios play out and your dock needs clearing immediately? This is when the ability to be responsive is all important.

- Your requirements set the schedule
- Reliable, consistent, personalized service, when you need it
- The resources to meet emergencies and last minute requests

Specific Channel Expertise

It's important that the one responsible for clearing your docks has the expertise to do each of the necessary functions in the most efficient and cost-saving manner. This requires a wide-range of experience and in-depth knowledge of best practices.

- Best practices for baling, loading OCC --- for example, more weight per load reduces transportation costs
- Best practices for loading, handling all recyclables
- Continuous updating of procedures and equipment
- Informed and compliant with all regulations

Market Knowledge

Partnering with a national or even international company brings the benefits of highly competitive cost savings as well as cutting-edged capabilities and resources. This often creates the seemingly necessary tradeoff of losing the advantages of having a local presence. The goal should be to have both.

- National or international company with local recovery facilities
- Saves time by keeping you updated with latest industry best practices and ideas you can implement to reduce costs and increase revenues
- Stay informed on worldwide market trends
- Local facilities where materials are sorted, cleaned and processed streamlines the process and improves efficiency of scale.
- Local recyclers are willing and able to pay more for regular deliveries
- Informed access to local labor pool

Value Added

Partnering, by definition, implies "value added" service. Your goal is to bring on board a company that looks for ways to go above and beyond what they are expected to do. There will be times, however, when you are going to need something totally outside of the scope of work. This is where a partner with other capabilities, such as trucking, warehousing, fulfillment, etc is able to really step up and make you the hero to your upper management.

The Increasing Demands and Benefits of Sustainability

Business professionals in the 21st century no longer have the luxury of deciding *whether* to introduce sustainability practices; only *how* to make them more effective.

According to Accenture's Peter Lacy, Managing Director, Strategy and Sustainability Services, "It will become part of everything we do. Just as we no longer talk of 'e-commerce', in 10 years we may not be using the word 'sustainability'."

When it comes to sustainability, there's a lot more to consider than preventing energy loss by installing trailer door seals or weather-sealed dock levelers. Even a facility with full LEEDS certification can decrease their carbon footprint, as well as significantly add to overall ROI, by working with the right waste-diversion and recycling partner.

Whether your focus up to this point has been geared toward a generic effort to reduce the amount of waste sent to local landfills or a full-blown profit center recycling program, the demands on your time are significant. Just keeping up with compliance issues can feel like a full time job. There is also every reason to believe that the push toward increased sustainability is only going to grow. In a recent joint study conducted by the Harvard Business School and the London Business School, it was concluded that companies which have been out front in embracing sustainable business practices "significantly outperform their counterparts over the long-term, both in terms of stock market and accounting performance."⁽¹⁾

In the past, the primary motivators for recycling were that it was the "right thing to do" and it had a fair amount of PR value. Consumers feel better about spending their money with companies that act responsibly. So, for many years, sustainability programs produced 'intangible' benefits and, at the same time, often increased costs. This is definitely no longer the case. If you are paying to have recyclable materials removed from your loading dock then ***it is only a matter of time before someone in your organization realizes that you are literally throwing money out the door.***

The exciting news is that many companies are earning up to \$1,000,000 or more for their recycled products *each year*. In today's modern and extremely competitive environment, the difference between profitability and bankruptcy is often measured by a few percentage points. You do not want to find yourself in the position of explaining why you are paying to have materials removed instead of being paid *for* them.

Because your recycling program has never been more important, the value of your relationship with your waste-diversion and recycling partner becomes even greater. After reviewing every step of your operation, he will have your waste stream assessed by a recognized industry expert and develop a true, end-to-end recycling and diversion process. The result will not only increase the efficiency of your operation and reduce your costs but it will also maximize your revenue.

The right partner in this endeavor can turn an onerous but necessary part of your operation into one that no longer demands your personal attention and has a direct result on your performance review at the end of the year. Upper management in most businesses are taking a very close look at the benefits of successful sustainability practices. In a survey conducted by the United Nations Global Compact of nearly 800

CEOs worldwide, “93 percent of CEOs see sustainability as important to their company’s future success.”(2)

Tying It All Together

Obviously, there are a lot of factors to consider when choosing your partner for waste-diversion and recycling. The right one will allow you to confidently hand off the responsibility for a crucial element of your operations. This will free up your time and energy so that you can devote it to other areas that need attention. Besides garnering kudos from your boss, you just might even be able to go home on time once in a while! And you will certainly gain in peace of mind.

The key is to find a partner that meets all of your qualifications. The promise of almost “too good to be true” recycling revenue but with a reputation for less than stellar reliability is a compromise you cannot afford. Search for a company that is already doing everything on your list of requirements. Take a close look at their list of clients. Your ideal partner is out there.

About PWC

Prime Woodcraft, Inc is a nationally and internationally recognized full service recycling and waste diversion solution with more than 20 years experience. Positioned to move product to domestic and international markets, guaranteeing the greatest value for their clients, PWC combines this with local recovery facilities, ensuring a level of customer service and responsiveness unsurpassed in the industry.

PWC started in the Midwest, concentrating mainly on the recycling of wooden pallets, but their success led them to expand their services into corrugated, paper and plastic recycling. They developed an extensive network of facilities and processors that provides a logistically efficient method to evaluate and move all types of recyclables. Their reputation for reliability and customized service, combined with the ability to provide their clients with guaranteed service and pricing has made them the first choice for Fortune 500 companies as well as many independent, family-owned businesses.

To learn how PWC can improve the efficiency of your facility, reduce your expenses and provide you with the highest possible return on your recycling, schedule a free, no-obligation evaluation of your recycling and waste diversion program by contacting Jeff Motter at jeff.motter@pwcintl.com . You may also reach him by phoning (813) 569-9996 or faxing your request to (888) 344-7721.

[Design Note: I’m sure your graphic designer will add images as appropriate --- just want to suggest using graphic of current clients here.]

Sources

(1) *The Impact of a Corporate Culture of Sustainability on Corporate Behavior and Performance*

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