

WASTE SOLUTIONS  
THERE'S MONEY IN THE TRASH



# HOW MULTI-SITE BUSINESSES HAVE TURNED TAKING OUT THE TRASH FROM COST CENTER TO PROFIT GENERATOR

The rapid maturation of the waste management industry has created a considerable opportunity for large enterprises and multi-site businesses to achieve significant bottom-line savings. In some cases, companies have even turned what was formerly a cost of doing business into a new revenue stream.

In this paper, we'll discuss a new approach to waste management, one that gives you the control necessary to align waste management services with your corporate sustainability and cost containment objectives.

## THE TRADITIONAL COST OF WASTE MANAGEMENT

### NEW OPPORTUNITIES IN WASTE MANAGEMENT:

Leveraging control of waste management providers, optimizing the levels of service they provide, and working diligently toward a zero-waste environment creates opportunities to save and sustain in the new reality of waste management.

Multi-site businesses have long been hamstrung by a waste management industry marked by geographic, service-level, and cost fragmentation. Many companies have left the responsibility of selecting and managing waste haulers to site managers. In addition to their existing responsibilities, these managers have been forced to select between a convoluted mix of major national, regional, and small local haulers, each with different pickup price schemes, rate increase schedules, recycling programs, service levels and reporting ability.

The resulting site-to-site disparity has created an expensive management burden, often resulting in unchecked levels of service and costs.

Without an organized, enterprise-wide platform, multi-site businesses also have little visibility into service optimization or landfill diversion opportunities. Proper measurement of and reporting on sustainability goals is therefore difficult — if not impossible — due to the burden of manual and inaccurate site-level aggregation for total waste volumes and diversion rates. Also contributing to waste management inefficiency is a common misalignment of container needs with site-specific waste output.

To overcome the burden of waste management on a site-by-site level, multi-site business have historically contracted with a waste broker, or “middleman” who sits between the business and its waste haulers, coordinating service and negotiating rates. In this model, data has typically been shielded from the business. Across the enterprise, the business often has little idea whose trucks are showing up at which sites, the size of their containers, the frequency of collection, the destination of waste, etc. In the past this ignorance may have been bliss, but today, awareness leads to additional cost-saving opportunities and efficient sustainability reporting. No longer must multi-site businesses give up a disproportionate and often unknown share of savings to a middleman or compromise on service

optimization and sustainability reporting opportunities because of a lack of visibility into key waste management metrics.

Waste disposal is an area that's rife with inefficiency, and for many multi-site businesses, one of the legacy approaches to waste management described above remains the de facto standard. However, big changes in the market are driving a transfer of power and control from the service providers to the business, so much so that proactive management of enterprise waste disposal services is now a reality. Leveraging control of waste management providers, optimizing the levels of service they provide, and working diligently toward a zero-waste environment creates opportunities to save and sustain in the new reality of waste management.

## WASTE MANAGEMENT INFRASTRUCTURE CHANGE CREATES NEW COMPLEXITY

The worldview on waste management has changed. New waste management options such as recycling of metal, glass, plastic, and paper-based products, as well as composting, have become common and expected by customers and business partners. In a growing number of cases, sustainable waste disposal efforts are even subject to legislative and regulatory oversight. In San Francisco, for instance, the city's 5,000+ restaurants have been subject to mandatory composting since 2009, an exercise that was previously voluntary. Since 1996, the city has composted more than 835,000 tons of food scraps.

While new destination options for waste disposal streams create measurable and significant environmental and cost-saving benefits, those benefits can potentially get bogged down by complicated disposal and reporting procedures for waste-producing organizations. Cost of disposal varies by hauler, waste stream, and geography. For organizations that manage multiple haulers and waste streams across tens, hundreds, or even thousands of stores, waste disposal has become far more complex than the dumpster-to-truck-to-landfill scenario of yesteryear. Without the proper infrastructure, management, metric, and reporting solutions in place, businesses are hampered by internal management and operational burdens and hard-pressed to make accurate progress statements on a key component of their sustainability initiatives.

## VENDOR CHOICE DRIVES NEW WASTE MANAGEMENT OPPORTUNITIES

As waste disposal requirements and expectations have changed, so has the waste disposal service provider infrastructure. The past fifteen years have seen significant change among service providers in the waste collection industry, and the pace of that change has recently quickened. Waste haulers have rapidly consolidated, quickly evolving from a disorganized industry characterized by hundreds of small local and regional hauling companies to one that now features just two major national haulers (Republic and Waste Management), a handful of growing regional players, and an ever-shrinking body of small local haulers.

This consolidation has resulted in many benefits for multi-site businesses. While no single waste collection provider has a presence in every geographic area, national haulers can now serve a larger portion of a multi-site business' site portfolio, resulting in competitive volume pricing due to their national scale. Regional haulers are marked by their aspiration to grow to a national scale or become attractive acquisitions, and as such are often noted for pushing boundaries that result in superior customer service and competing aggressively on price. And the small, local players that once dictated their terms as "the only game in town" have been forced to compete or die. These dynamics have created more choice for

multi-site businesses; rather than being ‘stuck’ with one service provider, businesses are now able to bid out waste collection services to a strategic mix of local, regional, and national haulers. The competitive nature of the bid process and the dynamic waste collection service provider landscape create compelling cost levers for multi-site businesses. Consolidation and competition have resulted in greater customer service, data transparency and reporting, giving customers the improved visibility that creates leverage for service level improvement.

## SERVICE OPTIMIZATION FINE-TUNES SUSTAINABILITY STRATEGIES

### VISIBILITY = OPPORTUNITY:

No longer must multi-site businesses compromise savings by missing the key metrics they can use to optimize their waste disposal programs.

A new paradigm in the multi-site business/waste hauler relationship is the expectation that the hauler’s service levels support the business’ sustainability goals. Thus, waste disposal is no longer a blind exercise, but one that demands transparency, quantification, and reporting, yet when managed properly results in significant cost savings and even profit generation.

One such key metric is volume. All too often, little mindshare is committed to accurately planning container size and pick-up frequency. When a container starts overflowing, most attentive site managers will notice and increase the pick-up frequency. When a container is oversized or serviced too often, however, nobody notices and the business effectively pays a truck to haul air. Fortunately, greater data transparency, reporting, and third-party oversight of haulers has resulted in an unprecedented opportunity to continuously analyze and optimize, or “right-size,” container sizes and pickup schedules. This ensures the business only pays for the service it needs to be receiving.

Businesses fortunate enough to have space for a roll-off dumpster or compactor can benefit from on-call service availability as well as pricing based on number of hauls and weight of materials hauled, ensuring that only the service that is used is billed. When businesses must use front/rear-load dumpsters or wheeled carts, optimization becomes slightly more difficult, but far from a hopeless cause. Accurate right-sizing can be achieved by identifying opportunities through the use of benchmark metrics (i.e. cubic yard of waste per thousand dollars in monthly sales), then verifying those opportunities with site managers and haulers. In a small but growing number of cases, waste haulers are beginning to deploy trucks with fork-mounted scales that allow businesses to monitor refuse by weight. These advances will greatly improve right-sizing efficacy and lead to more accurate sustainability reporting. Through a refined vendor selection process, businesses can begin to take advantage of waste service providers that offer service level enhancements such as these.

Diligent right-sizing, however goes beyond just ensuring an accurate total volume of services. As new waste diversion opportunities become available, “right-streaming” is becoming an increasingly important activity. A site that generates high volumes of cardboard, for instance, must have the proper container volume to ensure that recyclable material is not ending up in a dumpster destined for the landfill. To maximize the financial and environmental benefits of waste diversion activities, recycling services must not only be made available, but also sized proportionally to the materials that are generated.

Finally, contract and rate oversight is an imperative for companies seeking to save money on waste disposal. Generally, waste haulers levy automatic and often unannounced rate increases based on

changes to such variables as the consumer price index and the cost of fuel. Without proactive enterprise-wide oversight, businesses have little-to-no insight into the justification for such rate hikes.

## ZERO WASTE INITIATIVES DRIVE SAVINGS, SUSTAINABILITY

### NEW, SUSTAINABLE DISPOSAL STREAMS:

Realizing both green benefits and market opportunity, a host of alternative waste disposal streams have cropped up to compete with the traditional landfill.

Clearly defined waste disposal streams have also marked the evolution of the waste management market. Driven by consumer demand and regulatory pressure, businesses have begun to more closely monitor the overall volume and destination of their waste output. In some locales, laws have banned retailers from distributing plastic bags and expanded polystyrene (Styrofoam) cups, for instance. Some have even implemented regulations that require food service providers to package goods in recyclable or compostable packaging. These initiatives, as well as

consumers' increasing expectation that the companies they do business with demonstrate sustainable business practices with their suppliers, are increasingly causing businesses to make the connection between supply chain decisions and the waste they're generating.

Realizing both green benefits and market opportunity, a host of alternative waste disposal streams have cropped up to compete with the traditional landfill. Composting centers, anaerobic digestion facilities that turn organics into energy, and donation/reuse services have joined traditional aluminum, glass, and paper-based product recycling programs, creating great opportunities for businesses to move toward the coveted "zero-waste enterprise." These efforts often result in a lower cost of waste disposal, though they can also further complicate the right streaming of waste material. Each of these new waste destinations has a different cost of disposal associated with it.

Typically, the larger the volume of recyclable material hauled to a recycling facility, the lower the cost to dispose of it. Many large and multi-site businesses even sell their baled cardboard as a commodity. By doing so, some have completely negated the cost of waste disposal, or even turned a profit. At a minimum, it's generally less expensive to recycle than it is to dispose of waste in a landfill. In some areas, recycling costs as much as 50% less than landfill disposal. Likewise, in markets with mature infrastructure, the cost of composting organic waste is often less than landfill disposal.

Geography also plays into the cost of waste disposal. Sites located in municipalities that don't own a landfill, for instance, generally pay more for landfill disposal than do sites located where a landfill exists. This dichotomy is multifaceted. In some cases, waste disposal is subsidized by taxpayer dollars in municipalities where landfills are located. At the very least though, costs mount quickly when waste must be transported out of a city to a remote, often privately owned landfill. Increasingly, municipal-owned landfills are reaching capacity and must be decommissioned. When this happens, drastic rate-hikes often follow.

## CONCLUSION: DOUBLE-DIGIT SAVINGS IN HOLISTIC WASTE MANAGEMENT

### MEASURABLE SAVINGS:

Ecova can report real cases of savings in the 13% to 17% range resulting from proactive and intelligent vendor choice alone.

Waste generators are realizing that waste disposal is no longer a cost of doing business, but a controllable expense that, when properly managed, results in significant bottom line and environmental benefits. Of course, those benefits are highly variable and dependent on the priorities of individual companies, but Ecova can report real cases of savings in the 13% to 17% range resulting from

proactive and intelligent vendor choice alone. Service level improvements and waste stream refinement can add incrementally to those cost savings. Equally, if not more valuable (albeit difficult to measure) is the public perception of your sustainability effort, which is a powerful means of endearing consumers to brands. Learn more about the waste management paradigm shift and hear from a large multi-site business that's benefitting from it by downloading a replay of the recent webinar [There's Money in the Trash](#), sponsored by Ecova.

## ABOUT ECOVA

Ecova is the total energy and sustainability management company whose sole purpose is to see more, save more and sustain more for our clients. Using insights based on consumption, cost and carbon footprint data spanning thousands of utilities, hundreds of thousands of business sites and millions of households, we provide fully managed, technology-optimized solutions for saving resources, which in turn increase returns, lower risks, and enhance reputations. Ecova is the largest non-regulated subsidiary of Avista Corp, NYSE: AVA. For more information, visit the company's website at [ecova.com](http://ecova.com), on LinkedIn at [linkd.in/ecovainc](https://www.linkedin.com/company/ecovainc), or follow Ecova on Twitter at @ecovainc.

## ABOUT ECOVA WASTE SOLUTIONS

The Ecova Waste Solutions helps you implement a comprehensive waste stream management program. Partnering with Ecova, you can efficiently select the best, most cost-effective waste haulers for your portfolio while streamlining bill payments, hauler management, and Zero Waste programs.

As an independent third party working on your behalf, Ecova helps you negotiate the best terms for master service agreements with waste haulers, obtain the best rates available, and ensure compliance with negotiated rates. Our team's extensive experience with waste hauling and service management for thousands of sites across the country translates into savings in both efficiencies and costs for you. With the Ecova Waste Solutions, you can improve the overall efficiency of your waste stream management program by ensuring proper pricing, appropriate service levels, and mitigating additional charges.

Additionally, our team of Zero Waste professionals is ready to support your environmental initiatives. From organizing waste audits to developing a comprehensive waste reduction plan, our experts can support your organization every step of the way.

## CONTACT US

Find out how our team of Zero Waste professionals can support your organization.

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