

ADVANCED MANUFACTURING NEWSLETTER

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1150
South Fwy.
Suite 143

Fort Worth,
Texas 76104

817-348-0706

FAX
817-871-6031

www.mant.us



Waste Not, Want Not

“Waste Not, Want Not” the saying goes. Sounds good in theory, but for manufacturers it can be a challenging endeavor. Waste is a by-product of your work and you are under constant pressure to produce more products with fewer resources. On top of that, your company wants to lower expenses and increase profits.

Manufacturers must become more efficient to remain competitive and waste disposal is a great place to start. The three largest US waste haulers had combined revenues of over \$20 billion last year, with operating margins in the mid-teens. Much of this money was earned from you, the manufacturer.

Why, because manufacturers are some of the largest producers of waste. For every ton of post-consumer waste, there is 20 tons of pre-consumer waste created along the way in extraction, processing, and manufacturing. This waste in turn must be processed or disposed of for a fee. Thus, if you are looking for ways to improve your bottom line, become more efficient, and/or do a good thing for the environment; here are a few things to think about:

Type and Volume of Waste

What type and how much waste do you produce? It sounds simple, but few people have the time or desire to measure their waste streams. The saying “one man’s trash is another man’s treasure” could apply to you, but you will have to know what and how much you generate.

One of the keys to reducing waste disposal expenses is reducing or eliminating what goes to the landfill. In addition to paper and cardboard, metal, wood, glass, and plastic are also valuable commodities. These commodities, in the right volumes, can be hauled for less and/or generate a revenue stream for your business.

The drive for healthier lawns and gardens created a market for cow, chicken, and turkey excrement. As a result, some meat manufacturers have taken hold of this market opportunity, using their waste to create organic compost. The point is, if there is a market



for chicken excrement, there may be a market for your waste stream.

Disposal Processes

Where is your waste produced and how does it get to the disposal equipment? Unfortunately, waste disposal is not a priority for many facility designers, making for some difficult and potentially dangerous disposal processes. More sophisticated manufacturers use conveyor belts or chutes to move waste materials from the production area to the disposal area, while smaller manufacturers place the waste in a small receptacle or pile it out of the way until it can be moved. Whichever method you use, when was the last time someone evaluated your waste disposal processes?

A local food processor had their operations located on the third floor of their building. Waste had to be loaded into 60 gallon trash cans on wheels, taken down an elevator, before being walked down a short flight of stairs, and lifted overhead into a dumpster. In addition to the time involved, the injury liability risk was substantial, due to the stairs and heavy overhead lifting. And to make matters worse, due to a lack of storage space, the waste disposal process was repeated numerous times throughout the day. Fortunately, after completing a thorough evaluation, a new disposal process was created and a customized dumpster designed, which substantially reduced injury liability and increased operational efficiency.

Equipment

What type of waste disposal equipment do you have, dumpsters, roll-offs, compactors? Within each of these categories of equipment are numerous sizes and styles. Often the type of waste you produce will dictate the type of equipment that you use, but there is some overlap in equipment uses. Also the amount of space available will also provide some parameters for the types of equipment available for use.

In another scenario, a manufacturer had a trash compactor, which was leased. Crews had been trained to throw all loose trash in the compactor, and place all bulk trash items in an open-top container. The open-top did not have a lease fee and was hauled for less than the compactor box. After reviewing the operation it was decided that the compactor was no longer needed. An open-top container replaced it, saving the company over 25 percent in waste disposal expenses annually.

Price and Service

How often is your equipment hauled away or emptied? Is your equipment being used at or close to capacity? What is the market rate for your service? Your waste disposal price or rate

Continued on Page 2

Waste Not, Want Not cont. from Page 1

is the sum total of your equipment costs, service level, and profit margin for the waste hauler. Waste haulers are also under profit pressure and are not likely to suggest price or service levels that will negatively impact their bottom line.

There are dramatic price variations, for similar services, for companies located across the street from each other. Without a comprehensive view of the market, it is difficult to tell if you are paying at or above market rate.

Waste haulers have their own unique challenges. Landfills are filling up and dump prices are rising as available space diminishes. As haulers are forced to haul trash further and further away to dispose of it, their costs will rise as will yours. In addition, with the recent spike in fuel costs, some waste haulers have started to add a variable fuel surcharge to your bill. Once an item like this

is added to your bill, it is difficult to have it removed.

Conclusion

In a competitive marketplace, all areas of your business should be evaluated for enhancements or inefficiencies. An analysis of your waste and its disposal processes and equipment could provide you with an opportunity to not only improve your bottom line, but also help the environment.

MANT member Jason Landry wrote this article and is a partner with Environmental Waste Consultants, LP, and an affiliate of Environmental Waste Solutions (EWS). EWS is a nationally recognized expert in helping companies reduce their waste disposal and recycling expenses. For more information call, 817-503-9874.

MANT Member Plant Tour July 12

The MANT monthly program for July is a plant tour at Photo-Etch in north Fort Worth.



Photo-Etch designs and manufactures the industry's most

sophisticated integrally-lighted displays and control panels for military and commercial airborne and ground communications and navigation systems. They have recently expanded their expertise to include flight simulation and training components to worldwide customers.

Because of Photo Etch's commitment to investing in its employees, equipment, facilities and technology, the company is now recognized as a leader in the field of fully-integrated cockpit displays and control systems. Photo Etch is particularly distinguished in the area of night vision technology.

Photo-Etch has implemented many plant-wide quality and lean initiatives which they will share during the tour.

They are located at 5600 Blue Mound Road in a 50,000 sf facility off 820 W. Visit www.photo-etch.com for more info and directions.

MANT members and manufacturing firms are preferred. The time is 11:30 to 1:15 and lunch will be provided. Contact Deborrah Wallace or Iris Bruton at 817-272-5922 or dwallace@arri.uta.edu for on-line registration link.

Number of Women-Owned Manufacturing Firms*

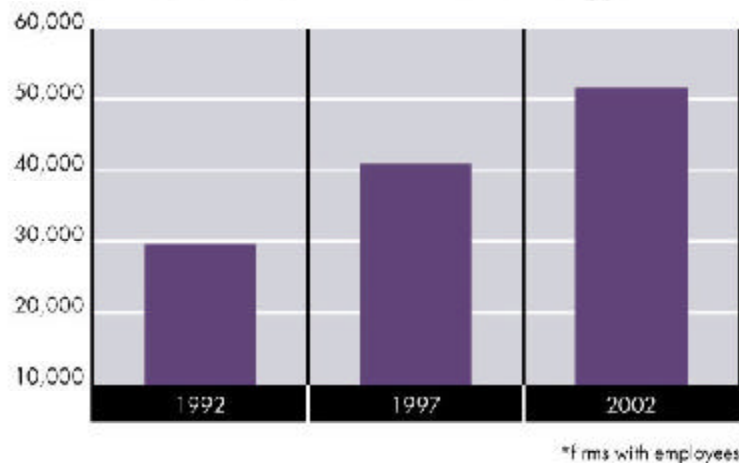


Chart Source: Center for Women's Business Research based on Commerce Department data.

Manufacturing owners and employees are often thought to be primarily men. Increasingly, however, manufacturing requires more brains than brawn as new technologies transform the manufacturing process. A growing trend in manufacturing is the role of women managers and owners. According to the Center for Women's Business Research, there were approximately 10.1 million privately held majority or 50 percent women-owned businesses in the United States in 2002. This includes 6.2 million majority women-owned firms and 3.9 million

men. These firms employed 18.2 million workers and generated \$2.3 trillion in sales.

Nearly 20 percent of all manufacturing companies are majority women owned and another 21 percent are equally owned by women and men. Majority women-owned firms are growing faster than other manufacturing firms. Among privately held firms with employees, majority women-owned firms grew by 27 percent from 1997 to 2002, compared with 8 percent growth for all manufacturing firms with employees. The Center for Women's Business Research estimates that women-owned manufacturing firms with employees accounted for 15 percent of all manufacturing employer firms in 2002.

SAVE THE DATE!

September 30

MANT Golf Tournament at Tierra Verde - llummus@flash.net for info

October 26-28

**Applied Manufacturing Conference
Arlington Wyndham Hotel
trade show, workshops, tours,
awards, keynote speakers and more
ibruton@arri.uta.edu for info**



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