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completing the CIRCLE

E-Structors and Integrated Waste Management take a holistic approach to data security and waste management.

COVER STORY



COMPLETING THE CIRCLE

E-Structors and Integrated Waste Management take a holistic approach to data security and waste management.
BY DEANNE TOTO



While the maxim may warn against being all things to all people, it hasn't stopped Michael and Julie Keough from successfully providing comprehensive information destruction and waste management services to their clients in the Mid-Atlantic region.

E-Structors, the Elkridge, Md., company the husband-and-wife team founded in 2003 to offer secure and environmentally responsible disposal of electronics, grew out of Integrated Waste Analysts. The Keoughs formed Integrated Waste in 1996 to provide waste management and recycling solutions to businesses and consumers in the Mid-Atlantic region, which includes Delaware; Maryland; New Jersey; New York; Pennsylvania; Washington, D.C.; Virginia and North Carolina.

"Our service package is a complete and total solution," says Michael, who serves as president of E-Structors and Integrated Waste Analysts. "It's

unique, particularly in this marketplace," he says of the complementary approach the companies take toward servicing their clients.

Together, the companies handle document and electronics destruction and recycling through E-Structors and waste stream analysis and the development of customized solid waste management and recycling programs through Integrated Waste Analysts.

"It's this complete package that sets us apart from the competition," Michael says. "We can handle all of their information destruction and solid waste management needs. We become an environmental program management solution, which is well received in corporate America and by the medical sector," he adds.

When it comes to E-Structors in particular, Michael says few electronics recyclers in the region have the capabilities his company does nor do they own their own transportation networks.

In addition to electronics de-

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COVER STORY

AT A GLANCE: E-STRUCTORS

PRINCIPALS: Co-founder and President Michael Keough and Co-founder and CEO Julie Keough

LOCATION: Elkridge, Md.

EMPLOYEES: 68

EQUIPMENT: An SSI shredder for electronics destruction and recycling, a Vecoplan shredder for document destruction, downstream-sorting equipment that includes a cross-belt magnet and eddy current separator, a horizontal auto-tie baler, five straight trucks, two tractors and multiple trailers

SERVICES PROVIDED: Electronics recycling, physical destruction of hard drives, document destruction, electronics refurbishing and collection and transportation

struction and recycling. E-Structors began offering document destruction to its clients in 2004. Michael says E-Structors eagerly expanded its services at its clients' urging. By providing electronics recycling and document destruction to its clients, E-Structors owns both contracts itself and provides pricing value by lowering clients' transportation costs, he says. This is another example of the value the company can offer by providing a range of related services to clients who are looking to streamline their vendor relationships.

A SECURE CONNECTION

The E-Structors concept grew out of a relationship Integrated Waste Analysts had with a client in the banking industry that was transition-

ing to a new computer system in the late 1990s. In researching recycling solutions for its clients, the company found few viable options, Michael says. "We started looking for ways to process electronic equipment in an environmentally responsible manner as well as ensuring data security," he says. "We reverted back to our family's origins in the paper shredding business; my dad was among the first paper shredders in the early '80s."

Through shredding, E-Structors can ensure data security while liberating the constituent materials. The company then uses mechanical separation and sorting equipment to create clean streams of these raw materials.

Michael's own background is rooted in the waste management

industry, having worked for Waste Management and Browning Ferris Industries (BFI) before being recruited by the paper company Weyerhaeuser in 1993.

After being laid-off from Weyerhaeuser in 1996 during a market downturn, he and Julie formed Integrated Waste Analysts. Julie, who serves as CEO of Integrated Waste and E-Structors, is an electrical engineer who has developed E-Structors' equipment and processes.

E-Structors moved out of its first Elkridge location, an 18,000-square-foot building, and into a new 95,000-square-foot facility in September of 2008. The new facility, which features separate processing lines for document destruction and electronics recycling, has allowed the company to increase its

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COVER STORY



"There are a lot of great companies out there, and you have to identify what sets you apart from them, and most of the time it's the services that you provide."

— Michael Keough

yearly volume of materials processed. Michael says E-Structors will process more than 20 million pounds of paper and electronics this year, noting that 70 percent of the company's incoming material is electronics.

E-Structors' facility also features a CRT (cathode ray tube) processing line and a triage/dismantling area that is located before the electronics processing line, Michael says. "We also have an asset management process where we rebuild and refurbish newer equipment that can be redeployed," he says.

To ensure the chain of custody remains unbroken, E-Structors itemizes the electronic devices it collects from its customers and tracks them in transit

using GPS. "We know and they know exactly where those materials are at all times," Michael says.

DESTINED FOR DESTRUCTION

Once the electronics arrive at E-Structors' plant, they are sent to a triage/dismantling area, where steel CPUs are dismantled and various plastic components, ink and toner cartridges, batteries and other internal components are removed, Michael says. The electronics are then sent on to a shredder manufactured by SSI, Wilsonville, Ore., where they are reduced to 1.5 inches in size. The material is then conveyed to a cross-belt magnet, which extracts

the ferrous metals. An eddy current separator removes the aluminum and precious-metals-bearing material. Copper and any plastics that were not removed prior to shredding are handpicked downstream from the shredder, Michael says. "When we are done, everything is packaged and ready for sale."

E-Structors ships the precious metals to smelters in Canada and Belgium, while the ferrous metals go to a local steel recycler, he adds. The company ships its plastics—primarily ABS (acrylonitrile butadiene styrene) and HIPS (high-impact polystyrene)—to plastics recyclers and brokers.

In the area of data security, Michael notes, "Most of our commercial and government clients are for the most part mandating destruction. Clients such as municipalities that don't really bear the burden are basically mandating that it is treated confidentially, and vendors are empowered to wipe the drives." He adds, "Prior to the launching of our new facility our process was to provide total destruction

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of the drive. It was the only solution available for us."

Michael continues, "When we moved into our new facility we were able to offer our clients IT/asset management services that could provide them the opportunity to have us perform a DOD (Department of Defense) wiping process as an alternative to the physical destruction of the hard drive. This way our clients can choose the solution that best meets the needs of their company."

With raw material sales making up a sizeable portion of the company's revenue stream, as with most electronics recycling companies, E-Structors has been affected by the market downturn that began in the last quarter of 2008.

FINDING OPPORTUNITY

The economic downturn and its effect on secondary commodity prices have been well documented, with the value of many commodities falling by 50 percent to 75 percent. But the Keoughs and E-Structors are focusing on the opportunities that such markets create for enterprising companies.

For E-Structors, opportunity comes in the form of improving processing and achieving ISO 14001 certification for its environmental management system. The company also will seek AAA certification from the National Association for Information Destruction (NAID), Phoenix.

"We do what we do to drive as many costs out of our company as we can, making existing clients more profitable and positioning ourselves so that when the economy does start to grow again we will be able to take advantage of that," Michael says. "The opportunity for us is in understanding where our faults are, where we have some inefficiencies, and looking to drive those out of our operation and make us a more profitable company."

He adds, "You need to have good operating principles in place that everyone needs to understand, adhere to and believe in."

Michael continues, "There are a lot of great companies out there, and you have to identify what sets you apart from them, and most of the time it's the services that you provide."

E-Structors' relationship with Integrated Waste Management has been an advantage in this area. "It's a natural part of the conversation that we have with a new client and also throughout the sales process," Michael

says. "When we do our exploratory conversations with them, we ask how they handle their waste streams. If we can come in and effectively implement a reduction in their solid waste fees, it helps to fund some of the new expenses that occur with the processing of electronic scrap." ■

The author is editor of SDB and can be contacted at dtoto@gic.net.

COVER



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