

# Trash talking the right way

## **GROWTH** STRATEGIES

### Specialty Waste Solutions' landfill-free services

**PETER KEY**  
STAFF WRITER

**M**AINLAND — Your cash ain't nothing but trash, according to the title of one of rhythm-and-blues songwriter Jesse Stone's most frequently recorded tunes.

To Randy Hendricks and Scott Woodrow, pharmaceutical companies' trash ain't nothing but cash.

Hendricks and Woodrow are, respectively, the CEO and chief operating officer of Specialty Waste Solutions LLC, a provider of landfill-free waste services that Hendricks founded in 2004.

SWS helps customers establish programs for separating their recyclables and trash, picks up both from their premises, takes the recyclables to the appropriate recyclers and delivers the trash to power plants that use it as fuel for electricity generation.

"As far as we know, we are the only waste company out there marketing ourselves as being a landfill-free option," Woodrow said.

Ninety percent of SWS' revenue comes from the pharmaceutical industry, mostly from three giant companies. SWS services 11 area locations for Merck & Co., eight for Johnson & Johnson and five for Teva Pharmaceuticals USA.

"They want to be landfill-free; they want to have their waste be renewable as fuel," Hendricks said.



Curt Hudson

**CEO Randall Hendricks (left) and COO Scott Woodrow of Specialty Waste Solutions at the Veolia ES Waste-To-Energy facility (trash-to-steam-to-electricity plant) in Conshohocken.**

Hendricks and Woodrow think SWS manages about 50 percent of the nonhazardous waste produced by pharmaceutical companies in southeastern Pennsylvania.

In addition to trying to increase that percentage, they are trying to get the pharmaceutical companies' suppliers to sign up as customers, too. The pharmaceutical companies are helping them, Woodrow said.

"They're going upstream, if you will, and putting pressure on their suppliers to be landfill-free as well," he said.

Both Hendricks and Woodrow are veterans of the waste-management industry, especially the waste-to-energy side of it.

Prior to founding SWS, Hendricks was a vice president of business development for Paris-based Veolia Environnement SA.

Woodrow also worked for Veolia, although immediately prior to joining SWS, he was with what is now Covanta Energy Corp., the energy-to-waste subsidiary of Fairfield, N.J.-based Covanta Holding Corp.

Hendricks began to think a company such as SWS could make a go of it earlier this decade.

"I really sensed early in 2000 that there was an opportunity to market directly to waste generators that really cared about the

## **SWS:** With an infusion of capital, company could pursue the residential market

environment and to communicate to them that trash is really a fuel and it's needed," Hendricks said.

Veolia gave Hendricks the ability to take advantage of that opportunity.

The waste-to-energy division of the company's North American subsidiary, Veolia Environmental Services North America, runs a power plant near the intersection of Ridge Pike and the Blue Route in Conshohocken.

It gets some of the fuel for the plant by collecting commercial and residential waste, primarily in Montgomery County. The company also uses residual waste, as nonhazardous waste from manufacturers is called, but rather than collect that itself, Veolia gave SWS a 10-year contract to provide it.

"Veolia didn't want to do that. They said, 'Why don't you guys do that?' So they set us up in business," Hendricks said.

SWS doesn't take all its trash to Veolia's plant. It takes some from its southernmost customers to a waste-to-energy plant that Covanta operates in Chester and some from its northernmost customers to a waste-to-energy plant that Waste Management Inc.'s Wheelabrator Falls Inc. subsidiary runs in Morrisville, Bucks County.

That saves SWS money and is environmentally friendly as it enables the company to use less fuel to transport its trash.

Originally, SWS hired other companies to haul trash for it, but two years ago, Hendricks and Woodrow put up their homes as collateral and got a loan from Souder-ton, Montgomery County-based Univest National Bank and Trust Co. to buy trucks for the company.

Now, the two are looking into switching from diesel fuel to compressed natural gas fuel for SWS' trucks.

"Being a green company, natural gas is the more logical choice for us," Woodrow said.

Hendricks and Woodrow also are looking into using solar-powered compactors to crunch trash on their customers' sites.

Even though they have a good relationship with Univest, the two said the cost of additional trucks and compactors will prevent them from expanding SWS too quickly unless they accept outside capital for the company.

They haven't done that so far, but Hendricks said they aren't "opposed to talking to the right investor. ... If we had a couple million dollars in capital, I think this business would expand exponentially."

Even without the additional money,

### **UP CLOSE**

**COMPANY:** Specialty Waste Solutions LLC

**LOCATION:** Mainland

**WEB SITE:** [www.swsolutionsllc.com](http://www.swsolutionsllc.com)

**TYPE OF COMPANY:** Provider of landfill-free waste disposal services

**NUMBER OF EMPLOYEES:** 6

**2006 REVENUE:** \$1.73 million

**2007 REVENUE:** \$1.67 million

**2008 REVENUE:** \$2.2 million

**2009 ESTIMATED REVENUE:** \$2.5 million

**LESSONS LEARNED:** "Our industry tends to compete on price and service. ... We've identified a third key that we're selling, which is being green and landfill free. In order to be able to sell that, [we] still have to be able to compete on price and service."

Hendricks and Woodrow expect SWS to be generating annual revenue of \$4.5 million to \$5 million by the end of 2011.

But a big infusion of capital could allow SWS to pursue the residential market, which Woodrow thinks is looking for landfill-free waste disposal.

"We've been approached by scores of employees from our existing customers who say, 'Hey, can you guys pick up the trash from my house?'" he said.