

Production Brainstorming Minutes

August 13, 2019

10:30am – 12:00pm

Attending: Beth S., Ann K., Nancy B., Carrie P. and Steve H.

- A. Overview of last meetings minutes** – Steve explained that it was necessary for the last two meetings to be rescheduled. Several conflicting meetings brought on by the recent CARF survey, along with PTO from committee members made the rescheduling unavoidable. Steve went over the May 22nd minutes. Two corrections were noted. Beth will stay in contact Tom G. from Python's, not Ann. Also, at this time Tom has no clear plans to shut Python's down or sell it. His comments about quitting the business and retirement seem to be somewhat off hand at this point, with no clear timeframe noted.
- B. Charlie's perspective** - Ann shared that she has been discussing some future business possibilities/strategies with Charlie. Charlie has commented that, at this time, he believes our best strategy moving forward is not to pursue our own product for a wide variety of reasons, including the amount of work and risk etc. Charlie feels that it makes more sense to capitalize/expand upon or strengths, which means building our sales force, developing a call center etc. Our goal should be to become the hub of work for people with disabilities throughout Central, as well as greater Minnesota. Of course, this comes with some considerations, like how long the future of center-based work and special minimum wage will last in our industry. Regardless, Charlie's idea of pursuing what we do best is sound and we will continue to pursue it for now.

At this time, we plan to continue exploring the concept of a "call center". A rough script has been developed and clients have been using this script to practice. Nancy shared that she is waiting to get a copy of the final script so that clients, with staff's help, can begin completing some preliminary calls to mock, as well as, real customers. Many clients are expressing a desire to be considered for the job. Nancy mentioned that this enthusiasm is good, but it is important to remember that there are significantly more skills needed to do the job well than there appears to be a first glance. Ann will chat with Charlie about the revised, final script and the timing on its completion.

- C. Building on DocuShred** - Ann presented that we continue examining ways to expand our DocuShred business, meet our customer needs and neutralize the impact of our competitors. The Sales Committee has been discussing possibilities along these lines and agrees we must continue to evolve our business to meet changing customer demands. Our financial numbers look acceptable right now but we are not growing our business. Thus, we can expect these numbers to continue flat or trend down over time. Most recently, we have been exploring a few new concepts:
- Shredding items other than paper – We will continue to examine this potential. However, our recent CARF surveyor, whose program is also NAID certified, cautions that

adding this mode of destruction is loud, dirty and provides minimal return on your investment.

- **Borrowing Bins** – We have loaning bins to customers for some time and then collecting bins and charging for the shred to be destroyed. This has worked well for many customers rather than paying a monthly fee for a bin they won't use most of the month. We are exploring advertising this option on a broader scale to attract customers who may prefer this format. The concept of an upcharge is also being looked at based upon this format. We are working with Traci in Finance related to this idea and some of the logistics surrounding how this can be done. Nancy asked Beth/Ann if we bar code all of our bins. Beth and Ann both stated that the majority of the bins we have utilize bar coding.
- **Selling shred bags** - Beth and Ann mentioned the concept of selling shred bags that could be filled up and returned. In this way, we would be creating a funding stream, supporting our long-term shred work for clients and creating an opportunity for customers to give these bags as gifts etc. The branding/revenue could be good for us regardless of whether or not the bag is ever returned. Nancy mentioned that convenience is the key. If we can make our shred service more convenient, we will continue to maintain a strong presence in the market.
- **Every Door Direct Mailer (EDDM)** – Ann mentioned that she is working on an EDDM. The concept is less about blanketing areas with marketing materials and more about targeting various geographical areas/communities with a message that is specifically designed for a particular group of individuals or sub-section of society.
- **Growing shred radius** – Beth mentioned that it may make sense, down the road, to grow the geographical radius we currently work with/market to for shred. However, she also said that, at this time, she is not convinced that we have gotten all of the business efficiencies we possibly can to increase shred revenues out of the 15-mile radius we currently occupy. So, while this remains a future possibility, for now we need to squeeze as many efficiencies and as much business out of our current area prior to attempting to expand growth to a wider area.
- **Assess equipment needs** – Beth mentioned that continuing to assess equipment needs to keep shred moving forward will also be important. For example, right now we are receiving significant amounts of pull tabs to be shredded. We have a 10hp shredder to get the job done. This is underpowered for our current needs, not to mention the needs we may have coming in the months ahead.

- D. Body Stars (Almost Famous)** - The question was posed whether or not we should consider partnering with the owner of Body Stars in a bigger way or if we should consider beginning our own business like Body Stars. The product being sold is not proprietary nor is it patented. This idea will be examined in future meetings. We will also bounce it off Charlie who may have his own take on such a venture.
- E. WACOSA Product** – Committee members discussed the concept of developing a greenhouse operation. The concept would provide consistent work for a wide variety of clients, a potential income source and might possibly receive grant dollars to get the operation up and running. WACOSA also has space on its current property for such an operation. Nancy mentioned that

Sauk Centre might be ripe for such an expansion, as well. Steve pointed out that he has worked extensively with developing the resources, a business plan etc. for a greenhouse operation prior to his time (approximately 20 years ago) at WACOSA. Steve conceded that this was some time ago and also was based upon growing flowers and competing with giants like Wal Mart and Target to sell flowers to the public at certain times throughout the year. It was impossible to compete under such circumstances. Committee members explained that efforts might be better spent raising pesticide-free vegetables, with the potential of later expansion into organic consumables. Many such businesses are growing in popularity across the country.

- F. Discount 70 Update** – Steve mentioned that representatives of Discount 70, a second-hand retail store in the metro had planned to tour WACOSA’s thrift operation last Friday. The meeting was canceled. We are hopeful that it will be rescheduled in the near future. The venture would involve partnering with Accessibility, Inc., a program like WACOSA out of Minneapolis, who has had a relationship with this company for many years. The concept that Discount 70 currently follows is receiving returned goods from Marshall’s, Target and TJ Max, having Accessibility retag them and then returning them to Discount 70 for sale in Discount 70 metro stores. However, in WACOSA’s case, we would perform the work on the goods then sell them in our own store in Central MN. Steve will keep the group posted on the outcome of getting another tour arranged.

Next steps –

1. Ann will touch base with All Source and get back to the committee on the cost of getting shred bags produced and printed.
2. Steve will reach out to the Executive Director of the Challenge Center in Superior, Wisconsin regarding the potential of getting a tour of Bay Produce arranged for the committee.
3. Steve will arrange another Brainstorming Meeting time.

Meeting Adjourned at 12:00pm.

Next meeting – September 24, 2019 – 10:00am – 11:30am