

Production Brainstorming Minutes

December 20, 2019

10:00am – 11:15am

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

Steve went over the minutes from the last meeting. This was followed by:

- A. Updates since last meeting** – Ann reported that she met with the large potential shred customer that was the center of discussion at our last Brainstorming Meeting. She was seeking information to find out what price point they were hoping to be at for shredding. We learned they expected their chosen vendor to be able to do the work for .025 - .05 per pound. This is, of course, not close to the price WACOSA would need to charge. Following this meeting, Ann and Beth reported receiving several calls from area vendors like Waste Management and ROHN's, with whom we have a friendly, competitor relationship. They also were approached and could not come close to matching the price point the vendor expects to pay. At this point, WACOSA is reducing our expectations as to the possibility of getting this shred work, given their insistence on the current unmanageable price. However, Steve explained that we should remain cautiously optimistic, since, if other providers cannot meet this price point, they may show back up with more realistic pricing expectations at some point in the future.

We have also been negotiating with the confidential vendor for possible handwork to be done at their business by a group of approximately 30 clients. We have not heard back on this portion of the negotiations yet. Ann has, and will continue to, follow up on this possibility and report back when she makes contact regarding their response.

- B. Recent progress on work replacement** – All in attendance were reasonably optimistic about the amount of work that has either come in or has the potential to come in to help replace the lost Electrolux work. Some of the specific things in progress include:

1. Ann got a list of the small communities in which we provide shredding services. She will be attempting to reach out to these communities to grow WACOSA's shred services even more.
2. Beth reported that Sewer Skewer is going very well and continues to grow in the amount of work we are being permitted to do. Orders are consistently coming in. We have learned also that the owner of the company is looking to diversify into other products, the most recent of which is a sewer blanket, that may provide us more work in the future.
3. Beth reported that we are working with the owner of Kitty Sift. She will be coming to WACOSA next week to look over our production process and to possibly work with us on permitting us to do additional work.
4. Beth reported that we are working with Craig from Speedy Delivery to help expand the amount of work we are doing for them. Craig is a good contact to have helping us get more work.

5. Ann shared we are talking to TO Plastics about the possibility of a 5 million piece order done annually. We would have to make an investment in some low cost label peelers to do this work, which we would certainly be open to doing. The job involves labeling of flower pots used to re-pot plants.
6. Ann reported that our relationship with MARCO continues to go well. They are trying to expand their business into the metro area, which would in turn, grow our business. We are currently getting shred work from them weekly. So far, we are seeing approximately 4,000lbs a month. They are also using WACOSA's DocuShred logo on their publicity materials, which we greatly appreciate.
7. Ann and Beth explained we have been having meetings to analyze the efficiency of our shred services/shred line. We are looking at improving productivity, as well as worker ergonomics. We are hoping this will help improve each client's work experience, while also improving productivity and reducing costs/raising revenues.

C. Update on consultant help – Consultants are working with WACOSA to multiply the number of boots on the ground making contact on behalf of WACOSA to develop more sales opportunities. Two consultants in particular working with us right now include:

- Charlie Clour – Charlie has met internally with WACOSA Client Managers and has conducted a number of test runs with clients to do cold calling. These tests revealed that clients are having a hard time hearing calls. So, headsets and amplifiers have been ordered to rectify this problem. Once this equipment has been installed, clients will begin cold calling. Ann reported we have purchased a mailing list of potential businesses in greater Minnesota that will be the starting point for our callers to contact. Traci has been consulted on the best way to outfit Sarah in the front office to help manage our contact list, track results etc. At some point, this will likely require the need for an additional NetSuite license, which is why Traci is being consulted.
- Dan Rooney – Dan is Steve's former salesman with whom he worked a number of years at MSS in the metro. Dan has been very ethical with us and is remaining very aggressive in sending bids our way, encouraging us to bump our bids up, if needed. So far, Dan has passed along 10 bid opportunities to WACOSA, with one on the verge of becoming a reality. Transportation continues to be a challenge but will remain so, since our new strategy is to reach out to an ever-growing geographical area of possible contacts.

At this moment a call from WACOSA's Whitney Center required several of the Brainstorming Committee to leave to address a client issue.

The meeting was adjourned at 11:15am.

Next meeting – February 26, 2020, 10:00am – 11:30am – 310 Front Conference Room