

Production Brainstorming Minutes

February 26, 2020, 10:00am – 11:30am

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

Steve went over the minutes from the last meeting.

Updates since last meeting –

Ann K. report - Ann has experienced some family and personal issues over the past month, which has diminished her ability to get everything done since our last meeting. However, she was able to make a number of cold calls in Cold Spring, MN. Also, she will be meeting with new WACOSA Board member, Laura Krueger, this Friday for a Marketing Committee meeting. Laura has been asked to Chair this committee and Ann will be assisting her in this task. Currently, the two strategies that Ann plans to share with Laura are her plans to reach out to a number of smaller communities around the Central MN area to explore work opportunities. Also, to provide edits, as well as, expand WACOSA's current Marketing Plan. Regarding community work with a confidential work site, a crew has been identified to help with this request. Right now it is a second shift crew. We continue to work to get a first shift crew employed at this site. However, our ability to staff it properly is preventing this effort right now.

Beth S./Ann K. work report – Beth reported she is in the process of working with WACOSA supervisors to identify a client who could staff the DocuShred store front. This was decided as one means to improve DocuShred operations and promote efficiencies. Currently, we are receiving an average of 20 customers a day and up to 105 customers a week since the start of 2020. Some help in this area would free up other staff to work with the crew on the shred line. Other efficiencies are also being addressed. The past concern of clients not working quickly enough and exercising a lackadaisical attitude have been handled, with improvements seen. All clients currently make minimum wage or above, which makes productivity an even bigger concern to help effort match wage. Ann presented that Sandie had a professional come out from CentraCare to do an on-line ergonomic assessment of DocuShred positions. Shred is meeting two times a month to examine changes for improving shred ergonomics and efficiencies. Sandie is also looking at job descriptions. Some workers were sitting while working. It was determined that more workers should probably be standing. Additional improvements will be done over time.

Beth also shared that work has been slow of late. Sewer Skewers are on hold presently. This is the close of their season. Also, they are exploring possible packaging changes and have been in talks with Ace Hardware as a possible outlet for their product. We are waiting to see what this means for our services. The representative from Kitty Sift did visit. She continues to work on a permanent process for assembling her product. She has been seeing some good response in her work with Amazon. Work with Speedy Delivery continues to be a possibility. He will contact us when work is available. Work with TO Plastics is on hold while the business transitions to new ownership. Our contact is a Business Analysis Consultant with TO who is a strong supporter of WACOSA performing their work. The new owner is not yet convinced of this, so this will remain on hold right now.

Ann presented that we continue to enjoy a good relationship with MARCO. Ann will receive an update on pounds we are receiving from them in the near future. We continue to share emails back and forth

and both MARCO and WACOSA are pleased with the relationship right now. Devin, MARCO's representative, will be coming out sometime in the next few weeks to visit.

Update on assistance from Charlie C. – Charlie met with Steve and shared that the idea he had for clients to staff a call center to gain leads so that Charlie could follow up does not appear to be working for a variety of reasons. He has revised his idea and is asking for a new approach to involve more clients throughout all of WACOSA in a campaign to reach out to contacts to ask for work. This same idea could also be implemented with staff over time, as well. Charlie will be coming to a meeting February 28th at WACOSA with Steve, Laura K., Ann, Beth and Nancy to discuss particulars of the idea.

Ann also shared that we currently have a list that we purchased that was supposed to be used by the individuals in the call center. Beth and Ann will be going through this list to eliminate businesses they know are not worth our time for various reasons.

Update on help from Dan R. - Ann continues to stay in regular contact with Dan, who works primarily in the metro area. Several possibilities have not yet panned out. Some are still in process.

New Topics:

Mixing it up – Ann reported on her meeting with Mixing it Up, a gluten-free bakery in the Sauk Rapids area that rents kitchen space. The owner approached us to consider making and selling dog treats. Ann will be arranging a tour of this operation for the entire Brainstorming Committee. It may be something that is worth exploring for a future WACOSA business.

Grow Shed – Nancy shared a newspaper article on Grow Shed, a portable greenhouse/hydroponics operation that may be something worth exploring. The concept of growing organic could also be a possibility. WACOSA may benefit by growing items and selling them to a few niche markets in the area.

Hot Dog Cart donation - All committee members discussed a recent hot dog cart donation. The owner, Angie, came to our last Admin meeting and offered to donate it. The cart needs some repair work done. Profit margins can be high for a single person. WACOSA would need to have such a business staffed by at least one staff one-to-one and 2 clients, who would need to be paid minimum wage or above. After running the numbers, it does not appear that this could be a workable thing for WACOSA, especially given the reduced season in Minnesota for selling and the poor staffing right now.

These topics listed above finished out the Brainstorming meeting discussion.

“To Do” for next meeting:

- Beth will contact Mark Knuckles to get some consulting on how to pay in the shred area if we still need to pay at less than minimum wage in light of lower productivity.
- Beth and Ann will thin the list contact list we purchased.
- Sandie will get back to Angie on the hotdog cart idea and tell her it is not a good fit for us right now. Ann will reach out to Sandie to ask her to do this.
- Ann will arrange a tour of Mixing it Up.
- Nancy and Carrie will research the Gro Shed operation to see if it makes sense for future WACOSA consideration.

Meeting adjourned at 11:30am – Next meeting will be March 31, 2020, 10:30am – 12:00pm

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.

- A. 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.
- B. 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