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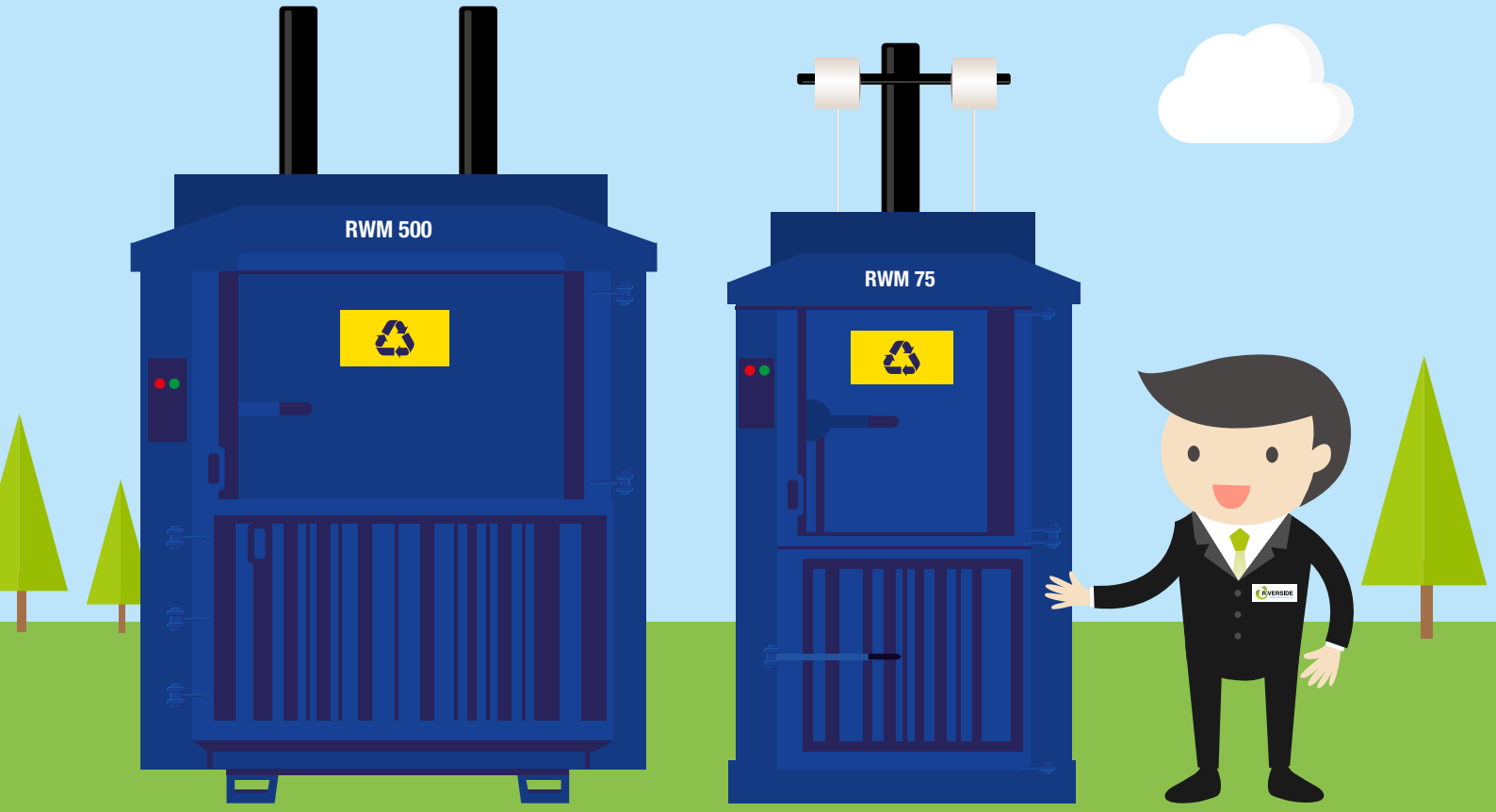

The ultimate guide to making money with a waste baler

Practical tips for organisations of any size

Introduction

'Waste' has never been such a hot topic in the UK. Environmental pressures surrounding plastics are continuing to mount, and organisations are being expected to take greater control of the 'rubbish' they produce, especially when it comes to materials such as cardboard and paper that can easily be segregated for recycling.

But often, 'being green' comes at a commercial cost, which can be difficult for some businesses to bear, however much they'd like to enhance their sustainability agenda. And, at a time when budgets are still being scrutinised, senior management teams aren't likely to part with their cash unless there's a strong business case for a new investment.

Making the numbers add up matters now more than ever. But you don't actually have to look too far for the secret to making money with smarter waste handling.

This bite-sized guide is designed to provide some practical insight into the role of a waste baler and the impact that baling can have on those all-important cost-saving figures.

There's wealth in waste – you just have to know how to unlock it.

Understand your waste costs

Before you can understand how to save – or make – money from your waste, you firstly need to understand how much your waste arisings are costing your business.

Of course the savviest way to handle waste is to avoid creating it in the first place, and it goes without saying that we advocate adherence to the waste hierarchy. Sometimes, simple education throughout an organisation can help to prevent the creation of waste at source, from placing a ban on email printing to stripping packaging materials back to the bare minimum.

But when waste is produced, the question to ask then is: **'How much does it cost to get rid of it?'**

Understand why waste disposal costs as much as it does

This may be stating the obvious, but the majority of waste collection fees are calculated according to material volume. This basic principle provides the very essence of every piece of advice that follows. Reduce the size of that waste, and the waste collection costs will fall too.

This volume reduction is possible by converting – or pressing – dry recyclable materials into manageable bales. Of course a baler costs money, but, on average, the machine will have paid for itself in less than 18 months. Or, with a hire agreement, savings can be achieved from the very first month!

Start doing your sums

Every organisation's waste handling scenario is different, so it's perhaps unsurprising that the numbers vary from company to company too. But the more sample business cases you see, the easier it will be to build your own.

Scenario 1:

Logistics firm Company ABC produces clean polythene and general waste. Currently this waste is co-mingled in one skip, which is collected by an external waste management contractor on a weekly basis, before being transferred to a materials recycling facility.

Current waste collection costs =
1 x £360 skip lift per week

Or 52 x £360 / 12 = £1,560 per month

By separating the clean polythene from the general waste, the number of skip lifts per month will be halved.

Monthly saving =
£720 per month

If hiring a suitable baler for £229.90 per month:

£720 - £229.90 lease rental =
£490.10 saving per month

OR

If purchasing the baler outright for £7,750:

£7,750 / £720 per month savings =
payback period in less than 11 months

This is before any material rebate figures are included within the calculation. Neat polythene bales can generate anything from £55-150 per tonne, depending on commodity market values at a specific point in time. Such revenue yield would drastically accelerate the payback period to an even more enticing figure.

Scenario 2:

A rubber manufacturer handling 60 tonnes of materials per week is left with a vast amount of packaging waste, including cardboard and plastic film.

Current cardboard collection costs =
1 x £151 skip lift per month

This expenditure can be avoided entirely if the cardboard is baled for recycling instead. With a mill size baler, the team can produce 2-3 bales per week, giving the potential to yield a revenue of approximately £50 per week, or £200 per month (based on a conservative rebate figure of £35 per tonne, although the market constantly fluctuates and the commodity value has been known to rise to highs of £100 per tonne).

Net monthly benefit =
£200 revenue + £151 skip lift savings = £351 per month

If hiring a mill size baler for £250 per month:

£351 – 250 = £111 net saving per month.

Impressed with the impact of the cardboard baling operation, the firm assesses the other 'waste' streams that it handles. Specialist plastic drums and pails are being sent for specialist recycling in continental Europe, due to the nature of the materials they contain.

Weekly collection costs =
10 x €30 per drum = €300

A drum press is able to compress 18 pails into one drum, which could then also be crushed. Being able to send 19 receptacles for recycling, for the same price as one, would therefore **save €510** each time.

A drum press costs €139 per month to hire or €4995 + VAT to buy.

**€4995/€2210 (€510 x 52 weeks/12 months) =
ROI in only 2.3 months, or**

€2210/month - €139/month = €2071 per month saving

Delving into greater detail

Scenario 1 purposefully keeps things very simple, whilst scenario 2 delves into a little more detail.

If you want to really drill down into the numbers, you could also factor in the likely revenue yield (as eluded to in the first illustration), as well as the labour costs incurred to handle the waste, plus storage costs – or the poor use of expensive floorspace – associated with the waste piling up. Storage costs are particularly problematic when it comes to handling bulky materials such as IBC drums. It could even be argued that health and safety costs should be calculated too, if loose and untidy waste poses a trip hazard for instance.

The more metrics you can add in, the more attractive your business case is likely to become.

Building a finance package to suit you

You can't achieve any of the cost savings mentioned within this document, without procuring a waste baler. And of course, this is going to represent some form of financial outlay, which is unavoidable. But there are even ways to protect the pennies by carefully selecting the right procurement method for your business.

Some firms will prefer to **purchase** the asset outright, so the advice here is to complete rigorous due diligence to ensure you buy a baler that is built to last. Ideally it will be supplied inclusive of operator training, customer service support and ongoing maintenance expertise, for maximum machine optimisation. The availability of cost-effective spare parts is also important, and ease-of-maintenance will avoid costly downtime. The best way to verify all of the above is to ask these direct questions, see the machine in action and better yet, speak to reference clients.

Other businesses will prefer to spread the cost of their investment with a **rental agreement**, to benefit from the same great technology, plus inclusive routine servicing and maintenance support, all for one affordable monthly payment. It may even be possible to trade in an old baler in **part exchange!**

Whichever procurement route you choose, factor these figures in to your business case to help clarify the payback period.

Next steps

Thankfully, many businesses are starting to better prioritise their obligation to be environmentally efficient – the world's resources are rapidly depleting and our ongoing reliance on raw materials isn't just very expensive, it's foolish.

Some are upping their green agenda because it is the socially responsible thing to do and they realise that everyone should play their part in this colossal mission.

Others are only willing to instigate change when they know they can do so without incurring any additional costs – or better still, if they can make some money along the way.

Either way, the numbers add up.

To discuss your waste baling requirements, or to simply begin the conversation about improving your approach to recycling, please contact Riverside Waste Machinery on 01423 325038 or email sales@wastemachinery.co.uk.