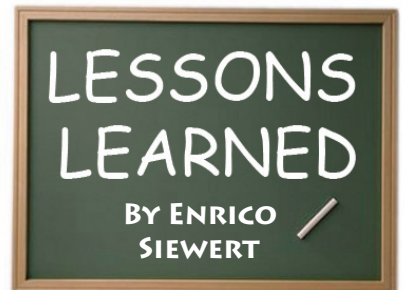




Enrico Siewert... "We always go in the back of the building (of our customers) to see what's in their (trash containers), to see if it has recycling value."

SCOTT PAULUS



**WHAT WAS THE REASON FOR STARTING YOUR BUSINESS?** "We wanted to look for creative ways to divert more recyclable material out of landfills and offer our customers cost-effective alternatives."

**WHAT IS THE BIGGEST RISK YOU'VE TAKEN SO FAR?** "Making large capital investments during one of the worst recessions and deciding to grow our business during such a time."

**WHAT IS YOUR GREATEST BUSINESS CHALLENGE?** "Finding qualified long-term labor has been a big challenge. It is a dirty and tough industry and skilled labor is difficult to find."

**WHAT ARE YOUR LIKES/DISLIKES ABOUT THE METRO MILWAUKEE BUSINESS COMMUNITY?** "Milwaukee is centrally located to our suppliers and has adequate industrial space available."

## Recycling a new process

### Milwaukee firm buys German technology as way to grow business

BY STACY VOGEL DAVIS  
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Action Recyclers is always looking for new revenue streams, but it often looks in an unusual place: garbage.

"We always go in the back of the building (of our customers) to see what's in their (trash containers), to see if it has recycling value," chief executive officer Enrico Siewert said.

The approach led Action Recyclers to find untapped potential in the waste created by paper mills. It believes it is the first company in the United States to recycle paper-mill waste at a second facility it opened in January on Milwaukee's south side.

The company, owned by Siewert, chief operating officer Mark Oliver and two other partners, opened on West State Street in downtown Milwaukee as a metal recycler in 2005. It pays suppliers, including individuals, commercial businesses and factories, for material, sorts and cleans it, then sells it to customers seeking metal.

Revenue grew steadily before the recession, but the owners noticed that as companies improve their processes, they tend to produce less waste, decreasing the demand for the company's services. Then, the company took a hit of

about 30 percent in revenue in 2008 as commodity markets crashed at the beginning of the recession.

The company added recycling of plastic and cardboard two years ago, operating at a temporary second location in Cudahy. It attracted several paper mills as customers, delivering the fiber to the mills to turn into new paper products.

As the mills recycle cardboard, they extract contaminants such as tape, wires, staples and plastic wrap that are attached to the material. These contaminants form bundles of waste known as "pulper reject."

Action Recyclers wanted to find a way to recycle the pulper reject, separating out the metals, plastics and other materials for reuse. It learned that the process didn't exist in the United States, but was being done in Europe. It bought the technology from several German companies and created a subsidiary company, Recycling Solutions, to handle the new service. In January, it moved Recycling Solutions and the plastic and fiber division into a new location on South Chase Avenue.

The first six months were devoted to research and development. So far, the company only has been able to extract metal from the material. It

sells the remaining material to companies in Green Bay and Appleton that make industrial pellets, a coal alternative that is burned for energy.

"We're taking something that was completely going to the dump, and we're making something with it," Siewert said.

There have been challenges — the material is abrasive on the equipment and sometimes a heavy foreign object in the material will get stuck in the machines, causing the line to shut down and damaging the equipment.

Still, the process is close to being profitable and the company believes it will be able to separate plastics and other material from the pulper reject soon, Siewert said.

So far, the company collects material from eight paper mills in the Midwest. It hopes to open additional facilities starting in mid-2012 in other parts of the country with high concentrations of paper mills.

### ADDITIONAL SERVICE

Michael Smith, director of procurement for Graphic Packaging International Inc., Marietta, Ga., said his firm has used Action Recyclers since January to recycle paper waste.

"They are recycling on average 250,000 pounds per month that would have been sent to landfills without their process," he said.

The additional service will allow Action Recyclers to grow its revenue by 25 percent this year after 17 percent growth in 2010 and flat revenue in 2009, Siewert said. The company returned to profitability in 2010, he said. He declined to reveal specific revenue figures.

It also allowed the company to hire eight new workers, bringing its total to 30 full-time employees and 10 part-time or seasonal employees.



Pellets of recycled material

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