

The ability to have fun at work is a key to success: The Cellular Recycler staff during a warehouse barbecue off the receiving dock.



# Cellular Recycler

## Making it Convenient to be Green

by Amy Weiss

Ask any one of Cellular Recycler's four owners, 25 employees or eight dogs what the company does, and everyone but the dogs will probably tell you something similar to, "We set up custom programs for carriers, wireless retail shops and non-profits to raise money by collecting phones and sending them in to us."

It's a good overview and certainly covers the basics of what Cellular Recycler is about. What it doesn't tell you about is the backgrounds and ideals of the people who started this company, and how those ideals, experiences and abilities go into making Cellular Recycler a unique company that's quickly found its way into the top of its space.

## The Green Pages

Founder Brandon Greenhaw will tell you the company began because it was time for a change in his own life. “It was the end of 2001 and I was leaving my current wholesaling job,” he says. “It was kind of my time in this world to either start something for myself or know that I was going to continue working for someone else. I thought it was my time to come up with something in the industry where I had experience but with a new twist and new flair.”

Greenhaw’s wholesaling job already involved collections, so the transition was natural. “We’d go into a company like Verizon and we’d say, ‘Here’s a couple hundred thousand in cash — we’ll take anything off your shelves that you can’t sell.’ What I was looking to do was continue to remain in the world of selling used cell phones, but with the emphasis on giving it an environmental edge by becoming a recycler.”

Ultimately, the transition was a fairly simple, if not easy, one. “I started this company with literally a few pennies in my pocket,” Greenhaw says with a laugh. “It started with just me

writing the business plan. While I was writing it my wife and I went to dinner one night and there was this guy who was still in school at CU working the valet stand. He came over to me and said ‘Hello Mr. Greenhaw.’ I was so impressed that he not only knew my name but had this great service ethic. I immediately thought, I want to start this business, I found this great, young enthusiastic guy, do you want to start it with me?”

“That’s the basis of this business, the diversity. You’ve got the old school wholesaling guys like me and Joshua Kohel. He’s been around for 10 years, and I’ve been around for 12 years selling phones. Then you’ve got newer, fresher people, the environmental science guys like Jason Gelfand, also one of our owners, and Nick Buckley, the student I met at the valet. We call ourselves the four corners of our business; we all have a unique skillset, and we all bring something new to the table. This company is driven by four individuals with four different ideas of how a company should be run.

Eventually, a banker believed in the company as well, and

Greenhaw and company went through the nine-month process of securing an SBA loan to get things moving.

“I had my base, I took my knowledge of the cell phone world and started doing collection programs, beginning with very small ones with local schools and the local chapter of the American Cancer Society. We started using the Relay for Life program with its army of people who are out there raising money. What we do is give them a chance to, instead of doing the standard bake sales and other ways people used to raise money, put cell phone recycling in that mix.”

One might ask, is Cellular Recycler a group of philanthropists, or a business out to make money? It’s both, fairly enough, and perhaps that’s the best combination for a group of entrepreneurs who care about making a difference in the environment.

“It’s my job to make sure that phones do not end up in our nation’s landfills, and to raise needed funds for our customers,” says Greenhaw. “We work for nonprofits, but we also have a lot of wireless carriers under our belts. The OEMs don’t necessarily love us but we’re a necessity with a lot of the laws and regulations that are being passed. They need to portray that green image.

“E911 and other FCC mandated requirements are preventing a lot of low-end phones from being reactivated on U.S. carriers,” adds Buckley. “Lowering the amount of phones that can be re-used means that more phones are going to get melted down, which is better than being thrown away. But reuse is still more efficient than end of life disposal.

What about OEM and carrier-sponsored recycling programs, such as the recently announced partnership between Sony and Waste Management, that will provide drop-off sites for cell phones?

“There are roughly 700 million cell phones collecting dust in kitchen drawers,” Greenhaw says. “If 100 more recyclers pop up tomorrow we’ll be lucky to put a 25 to 50 percent dent in what’s out there. The more recyclers there are, the better for the Earth as a whole. There are enough phones around that it won’t impact what we’re doing.”

“I’m pretty sure everyone in the industry would agree that less than 30 percent of phones are recycled,” adds Buckley. “Every year that passes, more and more phones end up in kitchen drawers gathering dust, and we can’t expect people to hold on to them forever.”

Greenhaw also points out the differences between Cellular Recycler’s programs and others. “For example, the Sony/Waste Management campaign is for people to deliver their phones to about 120 different drop sites,” he says. “It requires people to

## The Green Pages



One of the many rows making up the 900-plus makes and models Cellular Recycler catalogs in its “Cellular Library.”

do something. Someone has to remember to bring that phone into the few collection places set up. That’s not what we’re doing. We’re taking the thinking out of it. I don’t want to make someone have to remember, ‘Where do I have to go to drop off a cell phone?’ We want to bring the collection points directly to the people. If it’s a charity aspect – I need my people at the cancer society to know, ‘Hey, my charity takes phones.’ Or if your church takes them, why not know, ‘Hey, my church takes phones. My child’s school takes phones.’

An overview of the Cellular Recycler warehouse.



We want to make sure you can give phones to the cause you choose, because everyone has a giving bone. No matter where – the Humane Society, the Diabetes Association, the American Cancer Society – you need to bring your collections to the people, and not the other way around.”

As for the eventuality of curbside e-waste recycling, Buckley says, “I’ve definitely seen growth in electronic recycling events held in local neighborhoods by Waste Management and other companies. I’d like to say it’s only a matter of time before there is curbside e-recycling, but with all of the potential personal data, and harmful metals in electronics there are still some things to iron out before that’s a reality.”

Cellular Recycler is coming close to that with a new initiative planned to launch in November in conjunction with Papa John’s Pizza locations in Denver and Minneapolis. Papa John’s will provide its customers with a coupon for an order of free breadsticks with their next order in return for recycled cell phones. Proceeds from the phones go to the USO, a charity already heavily supported by the Papa John’s franchises.

“Cellular Recycler and Papa John’s Pizza came together for the environmental benefit,” says Greenhaw. “Papa John’s already directs its charitable giving to the USO, but they wanted to do something green as well.”

The promotion, which runs from Nov. 5 through the new year, will consist of drop-off boxes at the stores as well as delivery drivers collecting cell phones. “We’re giving them fact sheets, so the customers have all the information on what happens to their phones,” says Greenhaw. Setting the public’s mind at ease is an important consideration regarding the disposal of cell phones.

“Cell phones are small in size and are easier for people to justify throwing away versus, let’s say, an old receiver or computer,” says Buckley. “Another factor is that phones don’t gain value as they age. Our current motivation factor of paying non-profits to collect phones is going to ‘appear’ to go down, since the average value falls with older phones, so non-profits have to collect a lot more phones to get paid the same as they would have 2-3 years ago.”

What about the newer phones?

“Phones typically take about two years after their release before we start seeing any volume of them come in,” Buckley points out. “When cell phones first hit the market there were very few models – now there have been more than 1,000 different models produced.”

Do technical challenges become more complicated as phones become more sophisticated?

“We don’t open up the phones, so technically speaking we



The receiving station, where phones received in collection boxes are entered into the system.

run a pretty low-tech shop,” says Buckley. “The biggest technical challenge for everyone in our industry is keeping track of every phone that comes in and out the door. We’ve got a state-of-the-art inventory system which has greatly improved our efficiency, and with ongoing updates it will provide us with more and more capabilities, but that’s probably the largest technical challenge we face.”

It’s important to note as well that Colorado-based Cellular Recycler is very much a national company. “Most of the programs we do are not really locally based. They might have



A birds-eye view of the sorting tables.

started with a local link because starting in a local test market is better for the company and our customers — we have better control and can get better data sets from that — but after we do a local campaign we move things off regionally,” says Greenhaw.

Although Cellular Recycler sees no problem with being able to keep up with the supply for a long time to come, there is still plenty of room for everyone in a market that includes those older phones. “I believe we’re No. 2 in our space and we collect 75,000 – 100,000 cell phones per month,” says Greenhaw. “Many of the phones we collect go to overseas markets that are just a little behind the technology in the U.S. or Europe. But those markets are definitely dating every day, and we’re seeing

more of a trend of moving phones to developing countries. Most of those countries are sitting maybe 18 months off where we’re sitting in the U.S. For example, there are still a lot of phones that can be moved into China. It’s not about bells and whistles there; it’s about simple communications. It can take guts to do what we do sometimes. We have to collect thousands of phones of a particular line item before an overseas carrier will have the phones refurbished and placed on their network. I can’t sell five phones at a time. I can sell 5,000. We’re selling to people contracted by carriers and refurbishers all over the world to make sure people have a product for communication. People are getting their first phone and it’s not an iPhone or PDA; it’s a



Cellular Recycler's unique floorplan has its offices lofted above the triage center.

basic phone with 1 through 9, a 0, a number and pound button.

Some people might consider us a niche market but it is not the wholesaling we want to be known for. We want our name and ideals associated with helping non-profits collect cell phones to help make modern-day fundraising possible. We're proud to be a part of a growing number of organizations that really make a difference."

Buckley agrees. "The stockpile of old phones is building MUCH faster than the reclamation stream is able to collect them," he says. "America is one of the few countries where people have the ability to sign their life away for a year or two in order to get a free or heavily discounted phone. This is actually one of the reasons America is a great place for a business like us to set up shop. Wireless customers in America have a gross misunderstanding of the value of phones. If you asked the average

person last year how much a RAZR phone cost they'd tell you between zero and \$50 at most, depending on if they signed a contract agreement."

What's the key, then, to creating a greater market for those old phones?


"The idea was posed here at Cellular Recycler to make a green phone. Sure the idea of a recycled phone or a phone remanufactured from spare parts isn't a new idea; it is in fact darn near as old as the cell phone industry is as a whole. But what about that very phone that is comprised of used parts that would include a green shell? But one of our fundamental problems is that we needed to make this product "cool" for U.S. consumers," says Greenhaw.

One thing you have to say about Greenhaw is that he has passion behind his convictions. "It is not OK for any used electronics to end up in landfills," he says. "Someday it'll cost us.



That's the message we do our best to preach. I don't know how to get it out to future generations but I think about it a lot.

"Unfortunately," he continues, "we can't spend all our advertising dollars to be preachy about the environment. We can't be a driver for 100 percent of (our customers') fundraising, but we can help. It's a neat, cool, clean edge with an environmental component. With our champions, our customers, collecting phones for us, they're using the environment as their tool. They're using it as a dual message – it's my company, it's my charity, but you're helping the environment as well. We train people to use that angle, because that's the best you can do."

Nick Buckley closes out the thought, and the rationale behind Cellular Recycler, this way: "It is important that every cell phone retailer in America, from Joe's Bait & Tackle selling pre-paid to the flagship AT&T stores, have a profitable and convenient way to recycle their cell phones for their customers. Being a staunch supporter of local business and getting them additional funds with cell phone collection, especially in this time of economic crisis, is key. 

Going to the dogs:  
Top, Madison takes a trip down to the warehouse floor from the upstairs lounge area. Inset, Cowboy the junkyard dog of the cell phone world.

contact Cellular Recycler

877-CRGIVES (877-274-4837)

info@cellularrecycler.com

www.cellularrecycler.com