

## AMM INTERVIEW

Paul Brenner, President, Brenner Recycling Inc.

## Brenners keep family recycling business successful

HAZLETON, Pa. — Brenner Recycling Inc. has responded successfully to difficult markets and the stubborn economy.

On a typical day this past week, company president Paul Brenner got to the yard a little before 7 a.m. He immediately went into a production meeting with one of his sons, Jason, to make sure the company was headed in the right direction. Trucks were moving scrap out of the yard, cranes were running and employees were busy. Everyone was moving.

"Time is money. Everyone needs to be on the job working when the whistle blows," said Paul Brenner, a veteran of the scrap wars who knows what it takes to survive. He can remember when times were tough and how close the company

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—Paul Brenner

came to not making it. "My brother, Lenny, and I were running the company, and we came close to shutting the doors. We got some help; then the markets began to rebound, and we got our wings back," he said.

Since then, the Hazleton-based company has operated successfully.

About a year ago, Lenny Brenner decided to retire and his brother bought him out. At almost the same time, Jason Brenner—who had graduated from Ohio State University with a mechanical engineering degree and an MBA, and served as an officer in the U.S. Air Force for nine years—told his father he would like to join the company.

Jason Brenner, the fourth

generation in the family business which started up in 1925, is not only in learning mode; he also is in new development mode for the company. "Some say he is a chip off the old block. But that is not true. He is a whole lot better than I ever was," said Paul Brenner, whose wife, Lani, also works at the company part-time.

"We are both thrilled to have Jason join the company and already have seen the benefits of his youth, energy and new technology expertise," he said. "Jason came in and began to look at the financials. He concentrated on costs and began asking a lot of questions. 'Dad, why do you think torching is \$25 per ton? Why do you have so many employees? Why are you paying overtime? How are you managing your cash flow? What kind of computer system are you using?' The questions just kept coming.

"After Jason started looking at all this, we realized that we were running the old-fashioned way and were not paying enough attention to the details or looking at ways to improve our cost structure and our cash position," he said.

The company made some improvements: It reduced wasted labor by reconfiguring job assignments; it eliminated overtime by sending home at noon on Friday those employees required to work on the weekend so they can be paid a regular rate on Saturday; and it utilized its computer system more efficiently by storing data in the cloud.

The biggest change was making accurate calculations of what the company's costs really were and not what they were believed to have been. By setting up spreadsheets and detailing fixed and variable expenses, the company was able to identify costs that could be better controlled or eliminated. It now examines these costs on a daily and quarterly basis.

"My military training has certainly been an asset to both my growth and the company's growth," Jason Brenner said.

"This has made a real difference

in a time where we have needed it the most," his father said.

By filing data in the cloud, the company was able to become virtual in the sense that employees can be anywhere to look at files, send out a bid, buy materials and

business at a loss, then we just have to say no."

In the end, the Brenners know that it is the human side and the interaction with people in the area that keep the company going. "While (using) new technology,



Paul Brenner (right) and son Jason

communicate with everyone else, saving time and keeping details at everyone's fingertips.

"We go out personally and get the business, but now we also use the Internet," Paul Brenner said. "We used to be the only game in town, but now everyone can use the Internet and get into our local business, so we have to do the same."

The company has a website with complete pricing, which has been a great business tool. "We are now looking into a frequent-peddler program that rewards our most consistent suppliers," Paul Brenner said.

Financing continues to be a challenge as banks have become more stringent in their policies. Cash flow must be monitored daily, and although lines of credit may not always be used they must be maintained for rainy days.

"Business is tough today, with competition tougher than ever. As we get our requests for quotes and submit our best prices, it becomes a huge challenge to land a profit," Paul Brenner said. "We have learned that if (we are) getting

getting a good handle on costs, and buying and selling products are all critical factors, it still comes down to those personal relationships that have been developed and nurtured for many years that make the big difference," Paul Brenner said.

"My grandfather started this business. Lenny and I took over for our father, and now we have another generation to keep this going. Failure is not an option, and we will continue to look for new ways and new business," he added.

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