



Allegheny Supports Our Vets

Shredding Industry

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REPORT

Over 45 Years of Customer Satisfaction

SPRING 2013

Then and Now: The Secret to Staying Successful in the Secure Destruction Industry

Four pioneering CEOs share their practical wisdom



Paul Swenson, CEO of Citadel Information Management

In a young industry that's changing as fast as ours, it's no small accomplishment to find your blueprint for success and surmount the challenges required to stay on top of your competitors and the ever-shifting landscape. We felt it was time to celebrate a few industry leaders who've found the secret, and to examine the practical strategies and productive attitudes that have brought them sustained success.

Broaden your offerings

PAUL SWENSON is CEO of Citadel Information Management, the largest privately owned document destruction and information management firm in the Chicago area. He started the company in 1985 with a single truck, cold calling, and getting fired from his first job because the shredder was too slow! To remedy that, he bought an Allegheny 16-Series, 5 Hp shredder and now runs a 200 Hp as well. He's grown to nearly 50 employees, offering document destruction, records storage and management, imaging, and compliance consulting.

Paul says the key to his success (with partner and co-owner Donna Cooper) is "having a team of dedicated employees—and treating them well. It's almost like a family here, with very little turnover – and that continuity carries over

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Allegheny Shredders
THE SHREDDING INDUSTRY ICON SINCE 1967

The Vasak Vantage: Knowing the Shredding Industry from Inside Out

To become influential in an industry, you need knowledge and experience — lots of it. There are few people in information destruction today who have amassed as much of both as Vlad Vasak, an experienced multinational corporate executive and founding member of K-2 Partners, a Mergers & Acquisitions advisory service company for the document destruction/information management sectors.

With a background that includes such varied industries as ready-mixed concrete, waste hauling, and large-scale plant bakeries, Vlad joined Recall Corporation in Sydney, Australia in 1994, where he became national manager of Intershred Confidential Destruction (as it was then known). When Recall entered the North American document destruction market in 1999, he moved to the US and has been here ever since. He joined Iron Mountain in 2000 as president of the Secure Destruction division, charged with establishing the

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Batten Down the Hatches: Stormy Weather Ahead

Founder John Wagner recommends efficient management and creative thinking

There are going to be some tough years ahead in the Records and Information Management industry, and I'm encouraging all secure destruction providers to face those challenges now, so they can plan ahead and weather the storm.

We expect rules and regulations to increase, especially in the next four years. Operating a business is going to be more complicated and more costly, as we are forced to respond to new security requirements (such as cameras in the workplace), EPA guidelines, possible tax increases, and health care requirements which will affect your allocation for employee benefits programs. Labor costs will be fluctuating. Power costs for running equipment and for heating facilities are already increasing, with less access to fossil fuels. I know we spend a significant sum for power each month, and I'm sure your company does, too.

The challenge to all RIM providers will be to maintain a good profit margin in spite of these oncoming factors. Solvency will depend on efficient management of your company—keeping labor costs and health care costs in line. It also will require using efficient, cost-effective equipment that won't wear out; some of our Allegheny shredders have been running for 30 years! So be alert to keep the cost of running a business as low as you possibly can. You can't charge your customers more, or you'll price yourself out of the market: so play it smart and financially savvy.

To stay ahead of the game, I recommend diversifying, offering as many services as you can. If you're already providing document destruction, consider getting into records storage and vice versa. You may also want to consider expanding into hard drive and/or product destruction. If you're only doing mobile shredding, consider adding plant-based, starting small and building your way up. Having a plant allows you to acquire a



John Wagner
President & Founder of Allegheny

“Be alert to keep the cost of running a business as low as you possibly can. I also recommend diversifying...If you're already providing document destruction, consider getting into records storage and vice versa.”

baler and start baling and storing paper when the paper market is down—so you can sell it when prices come back up to reap a significant profit.

So think about how you want to invest so that you can give customers more than they expect. That's sure to keep them coming back!

Here at Allegheny, for example, in addition to manufacturing shredding equipment, we have a separate branch offering a shredding service, Allegheny Records Destruction. We have the ability to destroy hard drives and computer tapes—recently we destroyed 6,800 pounds of 4"x4" tapes in 40 minutes, an efficient way to boost profits. And just paying attention to your customers' needs and requests can be another source

of a new market. We did just that in manufacturing our new 3 Hp hard drive shredder to meet the need of low volume applications. It's a smaller investment for the provider, but still allows him/her to provide a hard drive shredding service for their customers. We've also developed a high-speed tipper (“Fast Tip”) for more efficient emptying of 64- and 96-gallon security containers or a Gaylord box weighing up to 2,000 lbs. This tipper is ideal for large volume users that need to process high volumes of material per hour.

On another front, plastic bottle recycling is coming back: Allegheny already has some 2,000 plastic bottle shredders in the market, so now we'll be ready to expand on this need in a timely manner.

Use your creativity as you think about ways to serve clients. Years ago, I was looking at our bales of shredded cardboard and a light went off—what about all those cores used in the paper industry? I spoke to a manager at one of the largest core manufacturers in the world, and told him we could build him a core shredder. And we did! It's a fairly limited, consolidated market, but we got it—and it all came out of one idea! So keep your eyes and ears open and act on what you see.

Lastly, confidential information is being stored on many different kinds of devices these days—from hard drives to smartphones. So know how to dispose of it. Paper will eventually be phased out... so think ahead! Anticipating the needs of your customers, and adapting your business to meet those needs, is the key to staying in the lead.

So gather and manage your resources efficiently, invest in extras you might need, and keep steady at the helm—and you'll navigate the territory just fine!

John Wagner is President and Founder of Allegheny Shredders in Delmont, Pennsylvania. He can be reached at (800) 245-2497. E-mail: solutions@alleghenyshredders.com

A Professional Attitude is the Path to Profit in Secure Destruction

Customers will be looking to your professional expertise

We all know the importance of a positive attitude in determining success in life or business. Respected authors as diverse as spiritualist Deepak Chopra, hardnosed pragmatist Jeffrey Gitomer, and influencer Dale Carnegie agree on one thing: attitude is everything.

Of course, when they are talking about attitude, they're focusing on our general outlook. Let's call it "the glass half full" approach to life and its challenges. But, there is another issue related to attitude that is increasingly important to your success in the emerging secure destruction market: a professional attitude.

I am not talking about the fact that you answer the phone professionally or that you follow up on sales leads like a professional. I mean that you consider yourself and operate your company as a professional secure destruction service.

Let's face it, for most of the short history of our industry, being a secure destruction "professional" was not necessary to succeed. Customers didn't know enough or care enough to require that from their service provider. All they knew is that they needed someone to shred their records or take away their old computers. All you needed was a business license and a few pieces of equipment. Once those were acquired, all you needed to do was to answer the phone.

Now, I am not here to say that those days are over yet; they're not. By and large, that description still fits much of the demand for secure destruction services. However, it will not be that way for very much longer. For one thing, the number of secure destruction service providers who now approach secure destruction as industry professionals is growing. There are currently close to 1,000 NAID Certified service providers, over 90 percent of which are in North America. And, while they may only account for half the service providers on the continent, they represent a vastly disproportionate



Bob Johnson,
Executive Director of NAID

“ ‘Professional expertise’ just means knowing what you are talking about, knowing why and how your firm’s data protection qualifications are important.”

percentage of market capacity, which I estimate to be 80 percent or more.

What does it mean that 80 percent of market capacity in North America is NAID Certified? It means *qualifications are starting to mean something to customers*. As the months go by, more and more government and private service contracts require NAID Certification. As this continues, it inevitably reaches a point where it is too difficult to do business without it. We're not there yet, but the future is obvious.

Regulatory changes made public in January 2013 will now bring added emphasis to service provider qualifications. The U.S. Department of Health and Human Services (HHS) released the Final Rule on how the Health Information Technology for Economic and Clinical Health (HITECH) Act would amend the Health Insurance Portability

and Accountability Act (HIPAA). While there were no surprises in the new rules for those of us paying attention, there will be plenty of surprises to health care customers and data-related service providers who were, by and large, not paying attention. Unfortunately, most health care providers and service providers fall into that category.

What's the surprise? For the first time in any developed nation in the world, HHS and state attorneys general are required by law to assess a substantial fine, between \$10,000 and \$50,000 per incident, wherever a health care provider has willfully neglected its regulatory requirements under the law.

Right now there are thousands of health care companies who do not have a business associate agreement with their destruction service provider. If that is discovered, they will be fined as required by law. Arguably, any health care provider who cannot demonstrate due diligence in establishing written vendor qualifications and selection criteria has willfully neglected its responsibility under the law. The first fine issued as a result of such neglect, which I believe is an inevitability, will cause panic as health care providers rush to make sure their service providers are qualified.

When that happens, those customers will be looking for certifications, training and quality contracts. And it's a pretty safe bet that with mandatory fines on the table, customers are going to be paying a lot of attention to service providers' professional liability indemnification too. Any service provider that is not ready to go through that level of scrutiny will be tossed out on its rear.

Anyone who thinks this phenomenon will only be relegated to the health care industry should be ready for another surprise as well. By all accounts,

BOB JOHNSON *continued on page 4*

Greetings from Shredder Mom

Hello Everyone!

Just a quick shout out. The theme for the upcoming NAID conference in Nashville is “Tune in for Success.”

It's a good opportunity to look at the best and brightest in our industry and ask: Why have they been successful? What do they do differently from those less successful? How do they think—about their employees and customers, about their personal and business commitments?

From my experience of 24 years in the industry, what I see is this: These successful people 1) are strongly committed to their clients; 2) take very good care of their employees; 3) are committed to their families; and 4) have a resolute determination to go the extra mile to satisfy the needs of their customers.

For instance, Allegheny's success began with John Wagner, whose driving motivation was to solve a customer's problem—beginning with building equipment to allow them to destroy documents faster than they ever thought possible. The success has been sustained by the attention to excellent customer service Allegheny has become known for—whether it's quickly dispatching a technician, or a part, or having a member of our sales team answer a customer's question. You're only as good as your name, and our company has built a great name for itself by adhering to these business practices.

Joe Calloway, author of *Becoming a Category of One*, will speak at the conference on the attitudes and ideas of top performers. Something I personally believe in is a positive attitude—it will resonate throughout the company. As Jason Radtke indicated, it starts from the top and moves on down. He notes that one of the key qualities present in market leaders is being innovative; in our industry, that means finding a way to solve a customer's need, sometimes even



before they're aware of it! John Wagner will custom build anything the customer needs, and I guarantee him I will sell it!

We also are flexible: we can change on a dime if need be, tailor a machine to a specific requirement, upgrade even a single aspect of a customer's shredder... This is one of the many reasons Allegheny has been successful. If unique situations arise, we're able to change our design, and address that customer's needs immediately.

Believe in yourself, and keep striving to be the best in your business through

your commitment to people, and to the demands of an ever-changing industry. NAID is out there looking ahead for all of us...and you can do that too. We need to take time from today's "To Do List" to see what may be coming down the pike, and be there ready to meet it with an innovative solution.

As I believe you would agree, the common thread among four of the best and brightest in our industry (see "Then and Now", page 1) is going the extra mile for both your clients and your employees.

But most importantly, adhere to your core values—as a business, and as individuals. Remember guys, I've always said we should attempt to do the right thing, and in doing so success will come your way.

See you at the Gaylord Opryland!

**XOXOXO,
Shredder Mom**

Evelyn Jefferson is the Sales Manager at Allegheny Shredders. She can be reached at (800) 245-2497. E-mail: ejefferson@alleghenyshredders.com

BOB JOHNSON *continued from page 3*

HITECH is considered a trial balloon for what will ultimately be a unified national data protection law covering all personal information. Its provisions, such as mandatory fines and national data breach notification, will be incentivized at the government level for enforcement revenue and, at the business level, by corporations seeking a unified national approach to breach notifications (instead of 50 different state rules).

Up to now, I've been discussing the professionalism inherent in service provider qualifications, but there is another type of professionalism that is even more challenging but equally necessary: professional expertise. I know "professional expertise" sounds intimidating, but it really just means knowing what you are talking about, knowing why and how your firm's data protection qualifications are important.

Like all trends, there are some service providers leading the way and others who will only respond after the market has made the requirement clear. In the history of the secure destruction industry, it's been the leaders who profit the most in the long term.

I started off talking about attitude. ***Never has the opportunity in the secure destruction market been more dependent on the attitude and perspective of the service provider.*** Regulatory intensity only goes in one direction: tougher. That poses a great opportunity for the astute industry professional and will ultimately marginalize the service provider who believes service provider qualifications are meaningless.

Bob Johnson is the CEO and Executive Director of NAID. He can be reached at rjohnson@naidonline.org



Vlad Vasak, Partner, K-2 Partners, LLC

“We had experience buying, selling, integrating and running companies, so we came at mergers and acquisitions from the operating, instead of the financial end. It’s a unique vantage point.”

company’s presence in the shredding industry throughout North America. This included the development of a dedicated business model, management and sales teams, and acquisition activities. Under his leadership, the division grew from \$0 to \$50 million.

As the business continued to grow and become more integrated into Iron Mountain’s core operations, Vlad’s role was becoming more specialized. He supported international operations, continued to play a key role in mergers and acquisitions, and was the company’s NAID representative. He also headed up the design and construction of shredding facilities and was responsible for all technology aspects, workflow optimization, and for health and safety initiatives. When Vlad and two ex-Iron Mountain colleagues launched K-2 Partners in 2010, they jointly represented more than 60 years of senior-level industry management and 80 years of hands-on experience in service-based environments—as well as completion of

over 175 acquisitions worldwide, including the industry’s largest.

Partners Bob Miller and Ross Engelman are also highly respected experts in their field, having served as Iron Mountain division presidents in the records management, data protection, and document imaging sectors, both in North America and worldwide. Miller had also served as president and COO of Iron Mountain, before heading up the development of Iron Mountain’s Asia-Pacific region. Engelman headed up the Latin American operations as well as the company’s fulfillment business.

K-2 Partners closed 11 deals in 2012 and 19 since their launch in 2010, reaching the \$400 million mark in aggregate deal value. In the process, they have also achieved some exceptional results for their clients.

“We got in by luck at the perfect time,” said Vlad. “Together we had experience buying, selling, integrating and running companies, so we came at mergers and acquisitions from the operating, instead of the financial end. Most people in the M&A field have a financial background, but have never run Document Management companies. We personally know the senior leaders of all major companies in the industry. We know how they look at a business in this industry and what they expect to maximize from it. It allows us to analyze, position, and present a seller’s business in a way that will be most attractive to each potential buyer. It’s a unique vantage point.” This intimate familiarity and know-how helps K-2 understand precisely what each buyer and seller is looking for. And they help clients improve their businesses whether they are ready to sell or not.

“My favorite part of mergers and acquisitions is pulling together all the knowledge I’ve gained from all sides of the industry,” Vlad said. “I can get a feel for a company in minutes now, and see how to maximize its value and make it more profitable and saleable. It’s a huge thing for a business owner to go through the sales process on his or her own. The ‘serial buyers’ have the experience and the upper hand. It is very stressful and extremely time-consuming for a seller,

especially when they have a day-to-day business to run as well. The skills and experience we bring to the mix enable us to level the playing field for our clients and achieve higher valuations than they would have on their own.”

Vlad has some advice for companies that may want to sell one day. “Maintain a solid customer base with good contract coverage and a recurring service schedule. Don’t compete by lowering prices—differentiate your service instead, maintain accurate financial records, and always work toward a denser service footprint. Lots of companies travel too far and wide—instead, reduce windshield time by finding a new customer stop along the route between two existing accounts.”

He added that although mobile shredding is a less capital-intensive way to start in this industry, as the business gets larger, plant-based shredding becomes more economical.

And of course, good equipment is always a strong asset. “Taking short cuts with cheap or worn out equipment is a short-sighted approach that will result in costly downtime, higher maintenance costs and lower productivity. We selected Allegheny equipment back in 1995 for our first new shredding operation in Sydney with Recall,” Vlad recalls. “Since then, I have specified many of their largest machines in numerous facilities around the world. Allegheny equipment is very rugged—it goes on forever. It’s a simple design, but the quality is high and if maintained correctly, will operate for a very long time. I have seen old machines reconditioned by the Allegheny factory that were impossible to tell from new.”

How has the industry changed over the past 20 years? “The biggest change has been the shift from corporate security to personal privacy as the driving factor behind this industry. In the 90s and early 2000s, we were convincing people of the need to protect their own company’s confidential information against competitors. But around 2002, there was a major shift and suddenly companies were expected to protect their clients’ personal information. The explosion of e-commerce

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to relationships with our customers.”

He also recommends branching out to stay competitive with the national and global competition. “Don’t come in just as a shredding company,” Paul said. “Broaden to records storage—it’s a good, solid business and a way to hold onto your customers. And be proactive: service, service, service is the key.”

Citadel has also initiated value-added services, such as electronics recycling and issuing quarterly “green reports,” detailing exactly how many pounds of paper were destroyed and recycled, thus kept out of landfills—a nice PR boost the company can use.

Seize the opportunity

JOHN MESROBIAN has also been in document destruction since 1985 and operates the largest locally owned shredding company in California’s Central Valley, LPI Shredding. But he came at the industry from a different angle—military intelligence, during his stint in the US Army. He later attended law school. LPI’s initial focus when it was launched in 1977 was retail security—John remembers dumpster diving for a large law firm and securing a multi-million dollar settlement! When a fellow



John Mesrobian, CEO, LPI Shredding

member of the American Society of Industry Security (ASIS) complained about his company’s lax document security, John saw a niche and jumped into the destruction arena: he bought some equipment and quickly secured his first account, the largest non-governmental client in the Valley.



Tom Simpson, CEO, Confidential Security Corporation

LPI now focuses solely on document destruction. It has two mobile trucks, eight collection trucks, ten employees, a five-acre facility, and an Allegheny 36-1000C Shredder (“built like a tank”).

“One of the biggest factors in our success early on was that plant-based shredding allowed us to rough-sort, and maximize our profits,” John said. “With on-site destruction, you’re forced to go with the lowest common denominator grade of paper. Off-site allowed us to charge less, and we could offer a rebate because of the salvage value.”

“Good employees are also a very important factor – provide a standard

and ask them to live up to it. We’ve had some accounts for 20 years, and we don’t lose any due to performance.”

John cites current challenges to his business: the regulatory environment (especially in California), less flexibility, more competition, and costs (licenses, etc.) that have gone up tremendously.

Slow and steady, with financial caution

TOM SIMPSON, CEO of Confidential Security Corporation (CSC) in Peoria, IL, says his secret to nearly 30 years of success has been “to be as lean as possible.” He advised running a business based solely on shredding income, not paper recycling profits, as the price of paper fluctuates constantly. Tom is a proponent of steady growth and financial common sense.

“We’ve stayed exclusively in shredding,” he said. “Our clients are often records storage companies, and we don’t want to compete with them.”

CSC has also chosen not to offer mobile shredding. “We turn down work regularly because we don’t have mobile shredding, but although the promotion value is good (a truck roaming around with your name on it), you force yourself into situations you may not want, such as unexpected breakdowns. We can offer more things at our plant—degaussing, hard drive shredding, disintegrators—than a truck can handle.”

The difficult economy—Tom says he’s seeing less paper volume from customers—and competition from large corporations are a challenge. “There’s more knowledge about the market now, which helps—for the first 10 years, all we did was educate people—but there’s also more competition now, especially for the large customers. My growth plan has been slow and steady, and it’s worked; we started with one truck, now we’re up to five. About eight years ago, we hired our first salesperson. Till then, I did it all.”

Simpson was one of the charter members of NAID; CSC was the first shredding company to become NAID Certified. “I saw a need for a third party to validate what I was doing, so I encouraged NAID to establish certification guidelines. I wanted us to be considered professionals in information security. Bob Johnson and I joke about how far we’ve come as an industry: We used to go to the bottom floor of a building to find the janitor to collect the wastepaper; now we go to the top floor to meet with the CEO.”

The irreplaceable value of good employees

JASON RADTKE, co-founder of Royal Document Destruction in Columbus and Cincinnati, Ohio, says providing great service is why his company has been on the Business First “Fast Fifty” list six years in a row, and made the Inc. 5000 for the last three.

“Our customers know we’ll do what-

in security. You have to be highly alert to what’s going on in the industry—NAID is a huge help here. Be even more dedicated to your customers. We’ve got to convince them that no one is going to outwork us or out-service us. You almost want to be invisible to the client, in that you’re taking care of everything.”

Jason says that Royal Document Destruction’s decision to buy Allegheny equipment has been a great investment. “For 17 years, our Allegheny shredders have served us well—we upgraded four years ago because we outgrew our equipment, not because it broke. It’s key to have faith in your shredders, and whenever we need something, Allegheny has offered top-notch service.”

The others agree. “I’ve been an Allegheny fan ever since that 5 Hp shredder,” Paul said. Tom remembers, “When we went into business. I didn’t know an ‘Allegheny shredder’ from a Chevrolet. Now we have five Allegheny



Jason Radtke, co-founder of Royal Document Destruction

ever it takes to meet their needs, and that begins with our employees,” he said. “They’re the face of the company; they have contact with the customer on a daily basis, and they are a huge factor in our success. We treat everyone as we’d want to be treated, and that positive mindset permeates the company from management on down.

“In the very challenging, competitive environment right now in the industry, you need to differentiate yourself from other local firms and the national companies. We emphasize our expertise

shredders in-house (including the original one!) and I feel very fortunate that we found Allegheny – it’s excellent equipment.”

In spite of saturation in the information destruction market, all four leaders feel there will always be a place for strong local providers, as long as service is good and you maintain good relationships with your clients. “We design a program to fit the customer, while large corporations offer options you have to fit into,” Tom said. “We also have a presence in the community.”

“It’s a lot harder for clients to drop you if they know you,” added Paul. “For the first 12 years here, I was the only salesperson. Now we have 3,000 customers, but we still know them all well. Besides, it’s small businesses that keep our economy going.”

Proven nuggets of wisdom

Parting words of advice? For those just starting out in the secure destruction industry, Jason recommends: 1) Bring your hard hat—don’t kid yourself that it’s going to be easy; 2) Be prepared to do every job in the company; 3) Surround yourself with good people; 4) Buy the best equipment you can afford, without overstretching; 5) Make sure your business model is sound; and 6) Become NAID-certified.

John’s advice: “You have to grow your business little by little, don’t expect to cash in on big accounts. Define your standards of service and maintain them irrespective of the costs. (Even if you’re not making money you’ve kept the customer.) And always have a human being answer the phone—then give them an answer to their questions, and do what you say you’ll do.”

Tom stresses financial soundness: “If you’re coming into the business, do your due diligence: have potential customers in your pocket. I’ve seen too many folks go out, spend \$300,000 on a mobile truck, and quickly go belly up because they thought it would be easy to get clients.”

For Paul, the key is to build a solid foundation for the business, diversify your client base, and don’t overextend financially. “You’ll always need that good relationship with your banker, so keep it clean.”

Lastly, all four men credit NAID for exceptional support, education, fighting for the industry’s needs, and helping them adapt to changing trends so they can better serve their clients.

Now that we’ve learned from four of the best in the industry, let’s put their wisdom to the test—and see if we can’t achieve the long-lasting industry success they have!

Paul Swenson can be reached at pswenson@citadelim.com; **John Mesrobian** at JohnM@lpishredding.com; **Tom Simpson** at: tom@confidentialsecurity.com; and **Jason Radtke** at jason@royalpaperstock.com

THE VASAK ADVANTAGE *continued from page 5*
on the Internet opened the world up to identity theft on an unprecedented scale and that triggered the introduction of state and then federal, laws such as HIPAA. Companies were suddenly responsible for protecting confidential information, and the industry exploded.”

Is the industry getting saturated? “It’s definitely very competitive, and hard for little start-ups to compete,” Vlad said. “And these small companies get squeezed on pricing, as paper prices fluctuate. A lot of them are competing purely on price.”

Vlad sees roll-up acquisitions continuing. “When I joined Iron Mountain in 2000 we started developing our footprint and bought a large number of shredding companies over the next 6-7 years, as did Recall and Cintas. Frankly, we all thought then that the pond was fished out,” he said. “But as it turned out, companies were multiplying faster than we could buy them.”

E-waste is a relatively small piece in the overall information destruction puzzle right now, Vlad notes. “The bulk of the industry’s current business is still paper-based. However, given that some industry verticals such as healthcare have already largely moved to electronic records, it is inevitable that there will be a decline in paper generation over time. This is becoming apparent among large Fortune 500 companies and it will continue to trickle down.” He added: “The records management sector is already seeing a

significant slowdown in the rate of new incoming boxes.”

Vlad has served on the NAID Board of Directors for a number of years, chaired and participated on committees, is a frequent panelist and a NAID President’s Award recipient. He gives large credit to NAID for helping develop and steer the shredding industry. “NAID helps level the playing field, too - each member has only one vote, whether it’s a huge corporation or a small mom-and-pop operation. All interests are represented.”

An ongoing challenge for the industry is to ensure that existing destruction standards continue to be universally accepted. “The industry does not need

some kind of external mandate that would seek to dictate such things as particle size or operational standards”. Vlad feels that NAID plays a very influential role: “It is in NAID’s interest (on behalf of its members) to keep evolving the NAID Certification program, so that it remains in step with client expectations and regulatory requirements, without adversely impacting operational aspects such as destruction equipment capacity and operating procedures.”

Vlad Vasak is a Founding Partner of K-2 Partners, a Mergers & Acquisitions advisory company. He can be reached at: vlad.vasak@k-2partners.com

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*Over 45 Years of
Customer Satisfaction!*



Allegheny Employee Profile: Jeff Wagner

It's in the Genes: a 3rd generation Wagner learns the business by being on the road

Jeff Wagner wins the award hands down for the “youngest-looking employee” photo: take a look at him around two weeks old in front of Allegheny’s first 100 Hp shredder! True, he wasn’t exactly clocking hours yet at the Delmont factory, but he was sweeping its floors by age 15, then working the next few summers picking up various skills. Now he’s full-time, very busy as the primary service technician responsible for installing new shredding systems, upgrading older systems, providing repairs when needed, as well as doing preventive maintenance—mostly on the road.

“I love the travel, love the open road,” Jeff says. “I was just in Houston for two and a half weeks installing a system. I enjoy the challenge and the responsibility – I’m often the only person there from Allegheny and it’s an important job, getting these systems up and running so the customer doesn’t lose money from downtime. I really like meeting the laborers, managers, owners of big and small companies; and you never know what you’re going to find with the equipment. It’s quite the adventure.”

Jeff has made it to 47 of the US states so far, and visited 43 of the 50 most populated cities. “Bostonians and Texans, they’re not much alike! But I really like meeting people, and with Allegheny it’s all about building relationships. It’s really cool also to share the company history with clients – when I tell them how we design and build all this equipment ourselves, they’re quite impressed!”

“A Bit in my Blood”

Jeff can’t quite imagine not working with the family. “It’s a little bit in my blood,” he admits. “Most of the learning has come straight from experience, and my dad (Production Manager Jim Wagner) has always had confidence in me, and given me enough room to make mistakes. I guess I have the Wagner



Jeff Wagner, Allegheny service technician



‘mechanical mindset,’ the resourcefulness to find a way to use a tool that isn’t the traditional way it’s normally used. And the people who I’m learning from –Dad, Jeff Robas (Service Manager), Rick Cerra

“There’s a feeling of pride at Allegheny regarding the way we run our business... customers I visit sense a type of leadership and work ethic they admire.”

(Systems Design Coordinator) – they’ve got so much experience and I know I can always go to them if I’m over my head.”

Jeff considers himself lucky to have had exposure to so many different kinds of businesses at such a young age, and that experience has given him a clear perspective on Allegheny’s corporate atmosphere. “I can go straight to my grandfather (company founder John Wagner) if I want to discuss something, or my dad or my uncle (Tom Wagner, Systems Design). The atmosphere is all about collaboration and problem solving. We’re purpose-driven, working together with lots of combined talent, and every part contributes toward the final product.”



Jim, Jeff and John Wagner: three generations in the Allegheny family business

Jeff also feels there's lots of room for ideas, and freedom to make choices as well as mistakes. "There's the opportunity here at Allegheny to find your own direction. My dad is a great motivator, and helps present possible areas of focus for employees. These are managerial skills I really admire."

Soaking up the Wisdom

Jeff is also learning about the intangibles, including what holds a successful company together.

"Everything here comes from my grandfather's leadership," he says. "For example, he always hand delivers the paychecks to each employee...that establishes a bond, shows he's involved and that you matter...it strengthens his presence in the company, and ensures that employees don't lose sight of the guys at the top.

"There's a feeling of pride at Allegheny regarding the way we run our business, and the customers I visit express that to me often. They are loyal to Allegheny because of our equipment, our service, our longstanding dedication to our customers, and because they sense a type of leadership and work ethic they admire. It's very satisfying to see it firsthand out in the field, and it makes it extremely easy

to build good relationships. And as a young man, I look to these older men – at Allegheny and at customer sites – and I can pick their brains to study how they've become successful."

A good practice for a third generation employee who may be part of Allegheny's ownership one day. Jeff is already picking up valuable lessons on keeping a view of the whole while paying close attention to daily details.

Maintaining the Allegheny Way

For leisure, shooting pool and playing poker keep Jeff's competitive energies engaged. "I enjoy games – video, board games – but snowboarding is great too. I like to keep learning things, so history and politics interest me, and watching documentaries. I guess I've always preferred self-education to learning in school."

What does Jeff see when he looks to the future of the shredding industry? "A portion of the business may shift from paper to electronic media, but Allegheny is keeping up with the changing industry by manufacturing superior hard drive shredders and product destruction shredders. We excel at anticipating trends – when customers need new types of equipment, we'll be there building big,

powerful machines to meet these new demands. And we'll keep the old school philosophy to always give them more than they expect – it works!"

Jeff Wagner is a service technician at Allegheny. He can be reached at (800) 245-2497

If you would like to have your company featured in our newsletter, contact Evelyn at ejefferson@alleghenyshredders.com

HUMOR FROM JOHN...

'Mr. Clark, I have reviewed this case very carefully,' the divorce Court Judge said, 'And I've decided to give your wife \$775 a week.'

'That's very fair, your honor,' the husband said. 'And every now and then I'll try to send her a few bucks myself.'

