

BY DAN SANDOVAL



## KEEPING IT REAL

### Recyclers turn to container tracking systems to improve operational efficiencies.

**L**ike many other industries, some scrap recycling companies are turning to more sophisticated equipment and communication devices to help improve their bottom lines.

Because transportation is always a huge wild card for any business, some scrap recycling companies are installing tracking devices on containers.

Such tracking systems can help recyclers with multiple containers get a better grasp of where their containers are, their status and when they could be delivered to their end destinations. However, in talking to a number of recycling companies that are presently rolling out scanning and tracking systems, the options afforded by these devices are significant and growing. And, as any bottom-line company can attest, such systems allow a company to streamline its operations.

**GETTING A HANDLE ON CONTAINERS.** OmniSource Corp., based in Fort Wayne, Ind., is one of the largest scrap metal recycling companies in the country. From its multiple locations, OmniSource services companies throughout much of the country. Recently, the company announced that it is installing a scanning and tracking system that will be put on all of its 9,000 containers. The company expects that this move will give it a significant advantage, providing information on where its containers are at any given time.

Mike Moran, OmniSource's vice president of transportation, says that with the new service the company has a "real-time" status update for its fleet of vehicles. "With the bar codes [placed on all the containers], we can track where the container is, the condition of the container [and] who dropped it off. It even time stamps," Moran says.

The information is communicated to the OmniSource dispatch office, which gives the company the opportunity to ensure that its containers are positioned most effectively for maximum usage.

OmniSource is implementing a tracking system manufactured by AirClic, Newton, Pa. With this program, OmniSource will scan the containers' bar codes at every drop. After scanning the bar code, the driver will then send the data back to the company's dispatch location via a Nextel phone extension.

Moran says the tracking system can help cure a major problem with misplaced containers. "People buy containers and they don't know where they are located," he says. "We believe we buy a lot of equipment each year that is not necessary due to the fact that there is no good way to track where the equipment is located or

how often it is being used. We believe that the AirClic scanners will solve that problem." He adds, "Using AirClic, we will save over \$100,000 annually in equipment purchases."

Along with providing the locations for the containers, the tracking system gives OmniSource the flexibility to incorporate a much wider range of features. For instance, the system can also indicate how long the driver takes between stops, the conditions of the containers and whether service needs to be performed on any of the equipment. It can even be adjusted to allow for bills of lading to be managed.

A transportation executive from another large scrap metal company says the tracking system his company is using will help boost customer service while providing significant savings.

Maximizing efficiency is a goal that, many recyclers hope, will help keep containers moving properly, as well as allow recyclers





to have better control over their container supplies, which gives the companies an opportunity to reposition its equipment to where they are most needed.

The executive notes that another benefit of such a system is the potential improvement in customer service. With the scanning program, "we can see when the drivers will be [at a customer's facility]," he says, which is no easy task. Many drivers make multiple stops during a day.

If a company can track how long a certain shipment takes, adjustments can be made back at headquarters or at the dispatch center to shorten the delivery times.

With the bar code and scanning system, the company can find out exactly where the containers are and provide its customers with a more accurate estimate of when service will arrive. The executive says, "The more we work with the system, the more we get out of it."

Also, the bar coding system will help the company to establish better routes for drivers by knowing, for example, how long it takes to make a shipment, he says.

AirClic says its service allows its customers to maximize the opportunities afforded by wireless communications by letting such devices deliver real-time information to its customers.

AirClic CEO Tim Bradley says

the company provides an automated extension, whether through a phone or a PDA (personal digital assistant), that gives field-based personnel the ability to input information daily. Says Bradley, "The system tells you who is doing what, when and where."

The system itself, Bradley says, is "agnostic," meaning that it is not wedded to any one particular format. While OmniSource's system works with the Nextel phone system, other wireless phone systems could be used with the AirClic system.

Bradley also notes that the system can cost from as little as \$1 to \$2 per container per month, depending on the size of the company.

**EXPANDING OPTIONS.** The ability to add additional tracking features to a container through the use of a bar code system can provide high value to a company.

For Allan Goldstein, president of AMG Resources, Pittsburgh, the biggest benefit of the tracking system is knowing where its containers are.

While putting bar codes on containers that are shipped via truck are often the first step a company may take, AMG also has tracking devices on its fleet of more than 600 rail cars. This is a fairly important issue as concerns about rail cars continue to surface. Throughout

the past, a host of horror stories have surfaced concerning rail cars that have been "lost" somewhere on a rail system. At other times a rail car could take weeks (or even months) to make a delivery that should take only a few days.

AMG uses the tracking device and then taps into the rail system's computer system to see where the shipment is. "If there are lots of empty cars, we know where they are," Goldstein says.

At AMG, the company's customers can also tap into its tracking system to find out where their cars are.

By using scanning devices, a company knows the approximate time and/or date of delivery and can help in budgeting the time needed to get the material

to its source. This ability to access real-time information can improve the overall operation of the facility.

While some costs savings can be achieved by using an automatic tracking system, an additional benefit is the removal of user errors that can often occur when drivers have to key in information manually. Eliminating this manual entry, many say, is another step in the process of smoothing out the bumps that can typically occur when transporting material.

While on a per-container basis the expense of installing a bar code tracking system is minimal, the overall package may cost a recycler a significant amount of money. For some smaller scrap yards that handle far fewer containers and trips and that don't have the luxury of a large private fleet, such costs may be hard to justify.

However, as the importance of real-time information becomes more critical for the overall flow of material from the point of generation to the processing yard to the consuming facility, more companies are likely to realize the need to install some method to better track their container shipments. **rt**

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