

Document Destruction



Basics of Mobile Paper Shredding

The fear of identity theft has made starting a paper shredding company a potentially lucrative business with relatively low start-up costs. In 2011, Forbes Magazine listed this business as #2 in a list of companies easy enough to start tomorrow. Reputation and reliability are keys to success, as your clients must have complete faith and trust that their documents are transported, handled and destroyed properly. Mobile shredding services perform shredding onsite within the vehicle, but this is just half of the business model.

What you choose to do with the shredded paper is another potential source of income, as this paper is valuable to mills which create recycled paper products. Some outlets will accept unbaled shredded paper and for a low-cost, start-up business, it would be wise to explore these outlets first. Then, as the business grows and the volume of paper increases, you may choose to pick up documents and shred them offsite or have locations where customers drop off documents to be shredded.

If you can meet certain volume requirements, purchasing a baler is a great way to increase your revenue potential by opening the door to more end-market options. Baled paper sells for a higher price, is more easily transported and saves storage space. Note that once you are baling material, this business is considered a recycling center and you must register with the New Mexico Environment Department: Solid Waste Bureau and have a certified facility operator on staff at the center. Certification requires attendance at a 3-day Recycling Facility Operators Course.

“Investing in a paper shredding business now is like buying a gold mine.”

Peace University- Information for Small Businesses



P 575-224-2630
E Sarah@RecycleNewMexico.Com
www.RecycleNewMexico.Com

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Potential Customers

- Businesses
- Banks
- Institutions (Schools, Hospitals, etc)
- Individuals
- Government Entities

Equipment Considerations

Equipment needs and pricing vary widely depending on volume and investment ability. A mobile business model only requires a shredding van. Note hidden costs: Vehicle maintenance and repair! One could then choose to expand in a variety of ways.

Start up costs vary widely based on location and business model. Please contact your local NM Small Business Development Center to determine actual costs (www.nmsbdc.org).

- Mobile Shredding Van
- Locking Collection Containers
- Forklift (Optional)
- Shredder (Optional)
- Baler (Optional)
- License, Insurance, Registration & Bonding

Space Requirements

No facility is necessary for start-up. One would invest in a mobile shredding van for on-site shredding. The shredded paper would need to be taken directly to a processor who can bale the material.

**FORBES Magazine listed
Mobile Paper Shredding as
“one of the top 20
businesses you could start
tomorrow!”**

Materials to Collect:

- White Office Paper
- Sensitive Documents
- Books

Materials for consideration, if end-market for material is found.

- CDs
- Floppy Disks
- Hard Drives



Basics of Paper Shredding

Markets for Paper Shred: Shredded paper is a valuable material and may be accepted by local processors. Loose it can be taken to 1 of several companies who will then pay you per pound. These same companies will also accept baled material. If your business volume warrants creating bales you have the option to call a company for pick-up of a full truck load quantity (20 tons or about 26 bales). Brokers will pay market value on this quantity. Prices vary from approximately \$80-140 per ton.

Service Fees: Consider the cost of operations, initial investment and cost of future expansion first before setting collection service rates. For example a mobile shredding service may charge one rate per pound for pick up and slightly less if the customer drops-off at an existing facility. Charges could be based on total document weight or a set fee depending on container size. Because containers can be costly, this may be a good option only for the higher volume, business customers. Local Small Business Development Centers can further assist with this process (www.nmsbdc.org).

Customer Selling Points:

Fraud prevention may be your number one selling point to costumers. Consider providing clients with complete certificates of destruction for companies that require documentation. Business customers may also appreciate that this service provides efficiency and cost savings. The safe and environmentally-friendly disposal of sensitive and protected information will resonate with most of your potential customers. Consider offering a monthly or quarterly report about how much paper they have diverted from the landfill.

Case Study Examples:

CARC Document Destruction Services (CDDS) offers document shredding to businesses and individuals in the Carlsbad, NM area. They also offer a pickup service. The CDDS facility serves as a processing center and as a drop-off center for individuals wishing to have documents shredded. CDDS processes 10-20 tons of office and book paper each month and employs 12-15 developmentally disabled adults. CDDS is one division of CARC, Inc, which also operates the only full-scale recycling processing operation for Eddy County.

The Shred Boss offers paper shredding and hard drive destruction for business and residential in the southeastern New Mexico region. Their list of value-added services is extensive, including: Prepaid Shred, where customers take as long as they need to fill a bag, Hard Drive Destruction and Employee Training using the NAID® Employee Information Destruction Training Program. After recent expansion at their facility, they are running a campaign to "Reach 1 Million Pounds" of paper shred. They ask for customers to help them feed the large shredding machine.



Best Practices






A mobile shredding truck may be the best initial investment because it would allow for expansion as customer confidence and volume grew. The truck, with an industrial-size paper shredder mounted inside the box, is divided into two sections: the shredding equipment area, and the payload area for storage of the shredded materials. Trucks have been designed to shred up to 8,000 lb of paper an hour and store 6,000 to 15,000 lb of shredded paper. Office paper is the typical material being shredded, but with increasing security concerns customers also request shredding of CDs, DVDs, hard drives and credit cards. Make sure that you have secured markets for each of the items you collect for shredding and that each material stays separate. Also note that once your business begins to bale material you must register with the state NMED as a recycling facility.

Consider the Numbers:

1 Bale of Paper = 1,300 lbs

26-30 Bales = 20 tons (full truckload) - \$80-140 /ton

Which security level is right for your customer base?

- Level 1 =** 
- Level 2 =** 
- Level 3 =** 
- Level 4 =** 
- Level 5 =** 
- Level 6 =** 