



Best Practices in Wood Waste Recycling

Developing Close Relationships Between Processor and End-User

Material: Wood Waste

Issue: *From the time wood waste arrives for processing until its processed materials are shipped to the end-user, processors should have complete knowledge and control of the expected quantity and quality of the recovered wood waste. The quantity of available feedstock and the size, shape, contamination level, and all other business-related issues are, for the most part, under the control of the processor. The only possible exception is during transportation of the feedstock from the generator or processor to the end-user. Only when a product is shipped to an end-user and unloaded, does the end-user actually examine the actual feedstock properties of the wood waste for comparison to what was expected and described in their contract with the supplier (the processor, in this case).*

Often, the words, technical descriptions, and even the specifications contained in the purchase agreement or contract between the end-user and the processor, do not fully convey to the extreme importance that the end-user attaches to the high and consistent quality of the feedstock. Processors might not have even visited the end-user's plant to understand and appreciate the receiving, handling, and use requirements of the feedstocks. This lack of appreciation for the end-user's material needs may prevent a processor from realizing the importance of having a quality-assurance program at their facility. If a processor does inadvertently ship off-specification, unsatisfactory feedstock to an end-user, that customer may discount the price paid: or assess a penalty, totally reject the load, or in the worst case, completely sever the supply relationship.

Best Practice: Processors must establish professional business relationships with their customers: the end-users of their processed wood waste. The key operations and quality-control personnel should be aware of how the feedstock from the processing facility meets the technical needs of the manufacturing plant and, ultimately, the product needs of their customers (i.e., the ultimate customers). The processing plant's quality-control manager should inquire and become knowledgeable about the finished products these end-users make, and the markets in which these products must compete. The manager must be aware of the critical point at which his poor quality of material will be fundamentally detrimental to the successful long-term business relationship of the two parties, the processor and the end-user.

Processors and end-users base mutual business decisions upon material supply agreements. With purchase agreements for recovered material in hand, the wood-waste processor is assumed to have a firm market outlet for feedstock from the processing facility at certain pricing levels.

Depending upon the importance and dependence that each of these parties has with the other, any breach in the performance of the contract by either party could have significant impact on one or both parties. However, in most cases wood-waste processors are far more dependent on their more established customers. Wood-waste processors must initiate the extra step of inquiring and fully understanding all the feedstock needs and concerns that each of his or her customers has. The wood processor must understand product performance criteria; the manufacturer's process requirements; the importance of adequate and assured supply lines to maintain minimum operating rates; the significance of raw material cost to that customer; the raw material substitution potential; and the specific objectives or sensitivities to the use of the wood-waste feedstocks.

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Implementation: Expectations would be that the potential end-use purchaser would want to visit the processor's site to see the quality of wood waste being processed and the output quality of the feedstock. However, when inquiries are initiated for the potential purchase of significant quantities of wood feedstock from the processor, and they include the possibility of purchases over a period of time (i.e., versus a small single order for a unique need), the processor should also initiate a visit to the potential end-user of the feedstock to gain a clear understanding of both the needs and uses of the feedstock.

Building a good rapport with the end-user helps to reinforce with the key processing-plant staff, the need for quality-control mechanisms at the processing facility. It minimizes the number of misunderstandings between the parties if a problem with product quality should arise. If either party requires a specific quality-control measure or testing to be completed on the material before it leaves the processor's plant, or at the end-user's facility upon arrival, this should be discussed, clearly understood, and included in the pricing, terms, and conditions of the agreement.

Benefits: Developing a close relationship between processor and end-user has several benefits, including minimizing feedstock returns or rejections, maximizing feedstock value, and strengthening the long-term viability of the supplier or market relationship. As the material moves from classification as a waste material stream through to becoming a part of a new product, a significant amount of handling, with equipment or personnel, and quality control will be necessary. Any step along the way that can be eliminated or made easier generates a value in time and cost savings. It is therefore extremely critical for all of the key decision-makers of the two firms, raw material supplier (processor) and the end-user, be comfortable with the business arrangement. They are inexplicably linked in the process of optimizing fiber from its wood-waste source to its placement in a finished product.

Application Site: This Best Practice applies to wood-waste processing facilities.

Contact: For more information about this Best Practice, CWC, (206) 443-7746, e-mail info@cw.org.

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