

Waste Age

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The Brothers Signorile

Patti Verbanas

Breaking ground with "one truck and zero customers" in 1994, American Waste Systems (AWS), Lilburn, Ga., now is primed to battle Atlanta's big players.

Under the close guidance of its owners, Lenny and Louis Signorile, in three years the small operation has muscled its way to become Metro Atlanta's second-largest private contractor in number of trucks and customers.

Poised to continue their market expansion into the commercial sector, the brothers are enjoying the success that is reaped by ingenuity and good-old roll-up-your-sleeves-and-get-in-the-trenches hard work.

Strong work ethics were instilled in the brothers and their sister, Cathy LaRocco, AWS' office manager, by their father, Vito, who could not stress enough the importance of flexibility, equipment savvy, employee relations and customer service.

In fact, one could say that the Signoriles grew up with garbage. "I've been in this industry since birth, steadily for 22 years," Lenny said. "When I was young, my dad actually parked a truck in the backyard."

The brothers worked for their father until he retired eight years ago from his last company, Atlanta-based Eagle Sanitation. Then, they struck out on their own, using their experiences as a springboard for the start-up business, with Lenny honing in on operations and Louis scrutinizing the spreadsheets.

Naming the company "American Waste Systems," they settled near the former Confederate battlegrounds in the shadow of Kennesaw mountain in Cobb County, just northwest of Atlanta.

Six years later, when Sanifill Inc., Houston, aggressively sought area acquisitions, it presented the brothers with an attractive offer they could not refuse. They sold the business, but kept the name and started anew.

Already in the midst of an expansion into Gwinnett County about 50 miles east of the Cobb location, the Signoriles did not skip a business beat. Since the expansion plans had been

finalized, the company already had one new truck for the location in stock four months before operation commenced. Other trucks were on order.

The brothers had been eyeing Gwinnett as an expansion opportunity because of limited competition in the county.

"It's an open market," Lenny explained. "The county gave us a franchise and allows us to collect there as long as we meet its criteria."

According to Lenny, Gwinnett is "very strict" on equipment maintenance and customer service levels. "If there is a customer complaint, the county will get in the middle of it and track the problem to its resolution," he said.

This hands-on procedure "works out well" for all concerned, he continued, comparing Gwinnett's regulations to Cobb's. AWS' Cobb operation had been plagued by the "renegade pick-up trucks" that hauled waste at half the rate of the professional contractors.

"The county had the regulations [against these companies] in effect," Lenny said, "but it only had one enforcement officer, and there was no way she could investigate them all."

The Yard Waste Advantage The non-compete clause the Signoriles signed during the acquisition forced AWS to build its new clientele base from scratch. Armed with extensive market research, the brothers continued servicing some roll-over accounts from the Cobb operation and initially focused their efforts on Gwinnett's residential collection.

"We marketed strictly by mail, gaining customers one at a time," Lenny said. "For the first 60 days, we hand-delivered flyers to the residents. Then, we went to computerized mailing."

Dividing areas into zip codes, AWS sent flyers that were designed and generated in-house to the residences on a 30-day rotation.

Their systematic approach paid off: On its busiest day, AWS signed up 183 customers.

While this steady influx of customers continued over the next two years, in 1996, the Signoriles seized upon an impending state mandate as a platform for a customer service coup that would give them the competitive edge.

The poorly-publicized regulation mandated that all collected yard waste must be diverted from landfills starting September 1, 1996. "Everybody knew this change was coming, and we set up for it," Lenny said. Not wanting to chafe customers more than they already had been - the state instructed that they must purchase biodegradable bags to contain the waste - the company focused on making a seamless transition.

Using their monthly customer newsletter as a forum, the Signoriles alerted their customers to the state mandate and described what it meant to the residents.

At the time, AWS collected residential solid waste twice a week, so when the ban kicked in, it maintained its schedule by separating the pickups. Now, garbage is picked up early in the week and yard waste is collected on the second day.

Due to the state's poor public education strategy, many Metro residents were thrown into a tailspin upon discovering in late August that yard waste would no longer be collected as part of their trash.

To complicate matters, many received notices from their haulers alerting them that they did not have a yard waste disposal strategy in place yet and requesting that the residents make other arrangements for yard debris.

"Customers didn't know the mandate was coming," Lenny said. "There were no articles in the newspapers until immediately before the diversion went into effect. Since we were prepared with adjusted routes, our transition was smooth."

The Signoriles aggressively promoted their up-and-running yard waste program and won many new customers.

How May We Serve You? While recycling is not mandatory in Gwinnett County, haulers cannot charge extra for recycling services. Currently, 41 percent of AWS' residential customers recycle - a good rate in a voluntary market.

The county's waste stream is comprised of 70 percent solid waste and 30 percent recyclables and yard waste. AWS deposits 95 percent of the solid waste at a transfer station owned by Waste Management Inc., Oak Brook, Ill., where it is taken to Atlanta landfills. The remaining 5 percent is dropped off at other landfills.

Initially, the company disposed of the yard waste at a local facility that turned it to potting soil. However, at presstime, that company was reaching capacity, and Lenny was seeking an alternative disposal method: buying a local landfill where they will have the room to do their own composting as well as operating the company's first landfill.

The pick-up day for recyclables depends on the individual route, and residents set out their containers either on the solid waste collection day or the yard waste collection day. The company uses the same trucks for solid waste and yard waste, but employs a separate recycling vehicle. AWS collects newspaper, plastic containers, glass, aluminum and tin cans. All the commodities are commingled curbside, with the exception of newspaper, which is sorted.

AWS donates all collected recyclables to Gwinnett Clean and Beautiful, a material recovery facility run by the county that uses prison labor to separate the commodities.

While they are still using the state-mandated brown bags to collect yard waste, AWS is considering issuing customers semi-automated yard waste carts. "The yard waste is weighty, especially the grass," Lenny explained. "Lugging it is a chore for both the customer and the employee."

The Signoriles decided early on that semi-automated collections would give them the competitive edge in the residential market. "Customers love the roll-out containers, which we supply at no charge. Also, the hydraulic cart tippers help eliminate a lot of workers comp claims," Lenny said, noting that semi-automated collection quickly is becoming the industry standard.

AWS shies away from construction and demolition debris (C&D) hauling. "We have one C&D customer - the contractor that is building schools in Gwinnett - and we haul that debris down to a C&D site in DeKalb county," Lenny explained.

Currently, AWS has little problems with overloaded axle weights, because its business base is mainly residential. However, that will change when it begins servicing commercial accounts.

"Georgia is strict on weight enforcement," Lenny said. "Those C&D loads can cause problems, which is one good reason why we're not pursuing that type of business."

Employee Concerns Customers aren't the only people AWS is enticing with its efficient operations: The company has a waiting list of 10 to 12 drivers who want to come aboard - many of whom have been with their current companies for 10 to 15 years.

What's the draw? "Once drivers start working with us, they have more time to spend with their families," Lenny explained. "At their previous companies, they were getting home at nine or ten at night, and then had to report back at six in the morning. Drivers can go home after their routes are completed. For us, getting home by 4:30 in the afternoon is late."

Before a driver is hired, Lenny takes him out on an extensive road test where he is asked to originate safety ideas for the company. Newly-hired drivers are not sent out immediately on a route. Rather, they ride along with veterans for a couple of weeks before they are asked to fly solo.

"We have basically no driver turn-over," Lenny said.

To increase efficiency and reduce driver stress, Lenny computes the routes in the office rather than handing the drivers computer sheets and requesting that they place the stops in order. "So, when we hand them the route book, it is set up with house and street order. We've found that drivers are apt to do a better job using this method."

AWS ensures that the drivers are kept as healthy as they are happy. "We talk about safety with our employees at least a few times a week, if not every morning," Lenny said. "We get everybody talking about it to keep it fresh in their minds."

This stringent training and retraining works: According to its insurance carrier's recent risk audit, AWS' safety strategies have reduced the workers compensation rate three years in a row.

Keep On Trucking A successful hauling business is driven by its equipment. Growing up, the Signoriles watched as their father bought out haulers that were plagued by equipment glitches.

Now, in his own backyard, Lenny sees his competitors' business schedules stymied by disabled vehicles.

Rather than treating a breakdown on route like a pit crew on the Indy 500 - using a service van to fix the problem so that the truck can complete the route - Lenny keeps his collection running smoothly by sending a replacement truck out to complete the route and towing the failed vehicle back to the yard for repairs.

However, the Signoriles don't often have that problem. "We're very strict on fleet maintenance," Lenny said. "We do a total preventative maintenance on the trucks every week with a top-to-bottom inspection."

Additionally, every morning, the trucks are pre-tripped by either Lenny or a mechanic.

"We don't allow the drivers to pre-trip the trucks because early in the morning, the guys just are looking to get out on their routes and they go down the checklist casually," Lenny said. "However, if I or a qualified mechanic perform the inspection in a well-lit area, we are guaranteed that the information will be accurate."

AWS' emphasis on maintenance keeps it in good company with Gwinnett County, which closely monitors their equipment as per the franchise agreement.

Healthy cash flow is a priority for the Signoriles, who prefer to pay for most of their equipment in greenbacks verses financing.

"We were fortunate because we had a good financial headstart coming out of the Cobb operation," Lenny admitted. "However, the biggest advantage we have is that we know equipment very well, because we have been around it all of our lives. We don't skimp on something that important. Quality counts."

Operational and financial flexibility are a few of the advantages Lenny cites as an independent private contractor.

"If we need a different type of equipment, we can just pick up the phone and get it done as quickly as possible without going through channels or waiting for corporate approval," he said. "You need to be flexible to stay competitive."

Commercial Ventures Its residential clientele firmly in place, AWS now is poised to tackle commercial collection.

Recently, the company hired a sales manager to pursue roll-off accounts. On September 1, 1997, AWS will commence commercial services; it plans to become fully-operational by January 1, 1998.

While it charges residents a flat fee, AWS will bill commercial accounts on a volume-based system.

"We are starting to get educated about on-board scale systems," Lenny said. "If we don't know the commercial containers' weights when we account for the volume, then customer billing will not be equitable."

"You can have commercial customers with the same size container, but the weights can vary by 1,000 pounds," he continued. "We will use the scales as an auditing device that will weigh the containers and automatically record the weights to help with billing."

AWS also has speced on-board computers on its new commercial front loaders.

With this new business comes growth. The Signorile family is considering expanding to a location on busy Buford Highway, just east of Atlanta in Gwinnett County, at the DeKalb County line.

As with their previous ventures, the Signoriles always are looking ahead. "Life is a lot more technical for haulers today than it was when my father started," Lenny said. "You have to keep up with technology, be flexible, and most importantly, know your equipment.

"If you don't anticipate and prepare for changes, you can be caught off guard."