



GROWING BOLDLY WITH SCRAP

Upstate Shredding and its sister company, Ben Weitsman & Son, in Owego, New York, are boldly prepping for a bright future. Despite scrap having been in a down cycle, they are aggressively expanding by adding locations and making a \$25-million upgrade to Upstate's auto shredding plant. "My father taught me it's better to expand in a downtime," says Adam Weitsman president of both companies. "At a time when many businesses are retrenching, we are investing in the future. The cost of land and equipment is cheaper, your lead time to install equipment can be shorter, and the suppliers can give you more attention. This new technology gives us a competitive advantage that is already helping to grow our business, despite the economy."

Upstate Shredding buys from other scrap yards as well as other businesses and individuals, with the intent of shredding and reselling the ferrous and non-ferrous materials. Think of them as the wholesale



Scott Collins of Tracey Road Equipment and Adam Weitsman of Upstate Shredding/Ben Weitsman & Son stand by a new 115ZV-2 being delivered to the company's Syracuse location.

arm. Handling the retail end is Ben Weitsman & Son. They collect from residential and industrial customers and then send that material to Upstate Shredding for processing. Ben Weitsman & Son also creates products for sale from Upstate's recycled materials, and sells steel products from its new-steel

distribution centers. With five plants and 1,300 roll-off containers strategically placed at a wide range of customers, Upstate Shredding/Ben Weitsman & Son has cast a wide net to gather scrap and has one of the largest scrap hauling trucking fleets in the East Coast.

UPGRADING THE ACTION

What are they spending their \$25 million on? Walling and roofing Upstate's 200,000 square-foot complex, installing a new storm-sewer system and on-site water treatment plant (making it the first "green" plant of its type in the State), and boosting output capacity to handle 700,000 tons of all metal grades.

At the center of it all is the new and very hungry 10,000-hp Riverside Engineering 122-inch Mega Shredder. The new shredder is largest in the United States, and one of the largest in the world.



Open seven days a week trucks line up to discharge their scrap

This new-generation machine shreds complete buses, trucks, and motor blocks at the rate of 450 tons per hour. Upstate has also installed several new and very sophisticated magnet and separation systems to better recover ferrous and nonferrous materials. “What is interesting about this project is that we are installing two SGM finishing magnets that will help us produce scrap with .17 and below copper content. This should help us provide mills with a busheling substitute,” says Weitsman.

Helping to feed all this high-tech hardware in Owego are several humble Kawasaki 115ZV-2 wheel loaders. They are tasked with moving the scrap dumped by incoming trucks over to within reach of the company’s Sennebogen sorting-and-loading machines, which in turn feed the monster shredder’s conveyor system.

Although there are plenty of loaders out there with sophisticated bells and whistles, it is Kawasaki with its focus on simplicity and dependability that has become the wheel loader of choice for Upstate Shredding. “I knew of Kawasaki but I didn’t know



Kawasaki 115ZV-2 wheel loaders keep the company’s Sennebogens supplied with scrap.

they were used in our business,” explains Weitsman. “Scott Collins from Tracey Road Equipment, our local Kawasaki dealer, came in and offered to let us try one out; we agreed. And I have to tell you the staff really liked it.....that’s key. If an employee is comfortable in it, and it is easy to operate, then different guys will jump in it and run it — that’s what is important to us.”

“Availability of parts is really good and there’s very little downtime, which is great because we are open seven days a week. Not only do we have a good relationship with Tracey Road Equipment, who also handles our maintenance and supplied our trucking fleet, but also with Kawasaki itself. I can truly say that both really care about me and my business, and have helped us non-stop. I will never buy another brand of loader again, and Kawasaki will be the only loader we put in our new locations. Loyalty means a lot to me. It is how we built this company, and it’s a big part of why we have been profitable 28 consecutive quarters, despite the bad economy.”

AFFORDABLE EXPANSION

With the kind of upgrades being made, more than just suppliers are devoting a lot of attention to Upstate. As one of the largest privately held scrap metal processors on the East Coast, and the largest privately owned scrap metal processor in the state of New York, the company has set an ambitious five-year goal of making one billion dollars

of debt-free sales annually. In comparison, 2009 gross sales are estimated around \$300 million. Nearly 90 percent of their current sales are overseas. In fact, while *FOCUS* magazine was in Upstate's offices, visitors from China closed a million-dollar deal for aluminum. The Chinese company had discovered Upstate Shredding on Facebook.

So, to meet that one-billion-dollar goal and ensure the massive new shredder is kept busy, Weitsman is circling the shredder with locations that guarantee feedstock. "I'm looking to expand into areas where I'm not getting scrap because I don't want to compete with supplying dealers," explains Weitsman. "So I take a look at the geography and see what transportation options are available. It may not look it, but we're growing conservatively. If we can't afford it, we don't buy it."

In addition to the two facilities located in Owego, there are plants in Binghamton, Ithaca, Syracuse, and soon, Scranton, Pennsylvania. Rather than starting from scratch, Upstate buys existing operations and modernizes them to meet or exceed

environmental regulations and increase operational efficiency. That way the company avoids permitting hassles, demonstrates excellent corporate citizenship by cleaning up and modernizing a plant, and acquires an existing customer base and some good employees.

"I had a situation in the past and learned your reputation is everything," says Weitsman. "My ethics weren't my priority when I was a much younger man. So many people have stood by me and helped me grow to get to this point — I can't thank them enough. Today, I really try to run this company with the utmost integrity and honesty. I owe our success to many people.

"It's no secret; I have to work harder than my competition. These bigger public companies have endless financial resources. My strategy is that I have to outwork them and keep customer service as one of our top priorities."

Upstate Shredding is serviced by Tracey Road Equipment, East Syracuse, New York.



Upstate is one of the largest privately owned scrap metal processors in the state of New York.

ON THE DRAWING BOARD

As part of an ongoing commitment to the scrap industry, Kawasaki works with customers to create and test new innovative options for their wheel loaders. And what may start out as custom work for one company may well end up as part of a future scrap options package.

For example, one custom item that Kawasaki created for Upstate Shredding was a hydraulic oil-gauge sight guard for the company's 115ZV-2. **1**

KAWASAKI HAS ALSO DEVELOPED, AND IS FIELD-TESTING, THREE NEW OPTIONS FOR THE SCRAP INDUSTRY:

- A standard GP (General Purpose) bucket with an extended spillguard to prevent shred from falling over the back of the bucket onto the lift arms.
- New headlights that are repositioned to deflect shred, and are housed in a steel frame. **2**
- Upgraded bucket-pin protection system to prevent shred from becoming wedged in the pin area of the bucket link and Z-lever joint which can pinch hydraulic lines. **Before. 3 After. 4**

Kawasaki continually and proactively updates their scrap/recycling package and options. And by testing them in real-life high-demand, high-volume environments, scrap-industry customers can be assured their specially equipped Kawasaki wheel loaders will perform reliably and productively in what is one of the harshest applications on the planet.

