

# WASTE & RECYCLING NEWS

## E-recycling firm drawn up on a napkin

By Amanda Smith-Teutsch



A multimillion-dollar business with 375 employees began with a disposable napkin.

John Shegerian and Aaron Blum, a friend of his business partner Kevin Dillon, were on a business trip to Arizona in 2004, where Blum was trying to sell Shegerian on the idea of buying into a new business, Computer Recyclers of America. Blum was enthusiastic; Shegerian was hesitant. He'd been looking forward to some time off after having sold his last business, FinancialAid.com.

At the end of the three-day trip, they stopped at a restaurant on the way back to the airport, where the conversation renewed.

"I took the IHOP napkin and drew a road map of the only way I would get involved," Shegerian said. "He studied it a few minutes and shook my hand. We both signed it. That napkin is still at the lawyer's office; we've actually had to pull it out from time to time to see what we'd agreed upon. It's been photographed and used, and the bottom line is we moved the company from San Diego to Fresno, rebranded it to Electronic Recyclers International and off we went."

The three men began the company with the acquisition of CRA, which had formed in 2002. The company was relocated, rebranded and reinvented. They passed out smaller business cards, drove hybrid cars and sported green ties. "We created a whole new look for the industry," he said.

But still, it was an uphill battle. When Electronics Recyclers International reformed from CRA in 2004, three states had bans on electronic waste in landfills.

"No one cared about e-waste," said Shegerian, now chairman and CEO of the company. "It was all about who killed the electric car and global warming. People didn't know if the green revolution was here to stay."

After moving the headquarters to Fresno and acquiring a facility in Massachusetts, the company started carefully planning expansions.

"We came up with two or three determining factors for locations," he said. "Population, logistics and laws changing in our favor."

Now ERI has recycling centers in Washington, Colorado, Minnesota, Indiana, Texas, Maryland and Massachusetts. Its shredder in Fresno processes up to 20,000 pounds of e-waste hourly and its second shredding facility is coming online by the end of the first quarter of 2011. A third shredder is in the works for Indiana.

The company exports no electronic waste, processing obsolete electronics and extracting the copper, plastics, glass and precious metals they contain.

In 2009, the company signed a long-term deal with LS Nikko, one of the world's largest copper smelters, to undertake an urban mining operation: the Korean company, instead of mining raw copper from the ground, wanted to mine copper from discarded electronics.

"What I'm learning now is all of the biggest metal companies are now seeing urban mining as part of a real future, not only of the recycling industry but also of the mining industry," Shegerian said.

The company attributes its success to three factors: the people it has hired, the on- and off-line technology it has developed including proprietary shredders and online recycling portals and service.

"It's our job to educate our clients and steer them in the right direction so they know what the right thing is," Shegerian said. "And also how to save them money. All of our customers want to do the right thing. They know the Green Revolution is here to stay, but at the same time, they don't want to tip over their bottom line. They're all budget cautious. It's not some full-blown La Vida Loca economy we're living in. They say, "Get me green, but don't waste my money.'"

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