

CASE STUDY:

Commercial Waste Company Saves \$260,000 in First Year with Air-Weigh's BinMaxx Front End Loader Scales

SOLUTION OVERVIEW:

Air-Weigh's BinMaxx is an arm mounted weigh-in-motion scale made to optimize the profitability of commercial FEL routes.

With 45+ years experience in waste hauling, Leck Waste Services runs a fleet of 35 trucks serving the community of Ivyland, PA.

BinMaxx provides Leck with valuable and measurable data, revolutionizing how Leck looks at customer retention and acquisition.

Commercial waste collection is a no-nonsense business. The hours are long, the competition is fierce, and operating overhead can quickly eat up a company's profits. Under these relentless market conditions, [Leck Waste Services](#), a regional refuse company from Ivyland, Pennsylvania, has managed to stay in continuous operation since 1972; no small feat for a family owned and operated business.

Beginning as a single pick-up truck operation, the local waste company has survived economic downturns and competition from national corporations for 45 years by providing uniquely personalized customer service and maintaining a forward-thinking approach to their operations.

Now with 35 trucks and 50 employees, Leck considers itself a family as much as a business, working constantly as a team to innovate in an increasingly technological industry.

"In the first month of use, we identified approximately \$30,000 lost revenue from underpriced accounts that we were servicing on a monthly basis."

Jason Leck, Vice President Leck Waste Services

Decreasing Profit Margins

The Lecks had known for a few years that their inability to get accurate weight readings consistently on their front end loading trucks was costing them revenue, but they had no way of knowing how much.

According to Jason Leck, Vice President of Leck Services, “We had thought that for about two years, that we were really starting to see profitability margins decrease on the front load division. We knew that we needed to get more accurate data from each customer.”

Their pricing models seemed correct, so company leaders were at a loss trying to pinpoint why revenues were dropping.

“As a whole, we looked at route profitability, not individual customer profitability. We knew we had very good pricing in place, but we didn’t understand, with the pricing we had in place, why we were not hitting our forecasted numbers.”

Knowing the Numbers

The team finally came to the conclusion that they must be hauling compacted waste at uncompacted prices.

“Ultimately, if you are pricing uncompacted waste to be collected from your customer, but you end up with compacted or heavier than expected waste, you can never be profitable,” said Jason.

They decided to test this theory by installing digital scales on their front loaders and periodically auditing the weights of their customers’ dumpsters in real time. Finding durable, accurate scales proved a challenge in itself, however.

“We tried two different competitors’ products but were experiencing inaccurate weights. This was mostly because the scale load cells had to be installed between the body of the truck and the frame rails of the truck chassis.”

This installation location caused frequent and costly maintenance repairs. “Road conditions were destroying the load cells faster than we could replace them, because of the constant slamming of the truck body against them.”

Also, operating in the Northeast, “Road salt and brine were destroying the electrical connections.”

“The waste industry is an extreme-duty application, and these products were built more for straight haulers, versus a vocational application like waste and recycling services,” Jason observed.

The BinMaxx Scale

After trying various scales without success, the solution arrived by chance when Jason Leck attended a waste and recycling conference in 2015.

“I first heard about [Air-Weigh](#) at the 2015 WasteExpo. I spoke with Jack Ewing about their design for front load garbage trucks. I was interested because it was not a fork-based application, and it was not an under-body load cell mount design. The fact that they applied the weighing sensor to the arms of the front load truck really interested me.”

Jack Ewing, Air-Weigh’s East Coast refuse sales manager, knew the Lecks and realized Air-Weigh had the solution they were searching for: [BinMaxx](#).

“BinMaxx’s arm-mounted design has significant durability advantages over other scales,” said Ewing. “It avoids the car-wreck-100-times-a-day damage that hinders our competitors’ fork-mounted products.”

BinMaxx functions better and stays calibrated longer than other scales, too, due to the arm mount. Leck Waste decided to run a pilot program with six BinMaxx scales to see if they could get more reliable dumpster weight data and fewer damaged scales from this innovative design.

A Winning Solution

The results were extraordinary. “In the first month of use, we identified approximately \$30,000 lost revenue from underpriced accounts that we were servicing on a monthly basis,” said Jason.

“We were able to renegotiate those accounts over the following five months and realize a \$10,000 profit. While we were not able to keep every single customer, we were able to realize over \$260,000 in annual operational income from the weight audits.”

“Density is the issue,” said Jack Ewing. “Getting an average of the content container weight for each customer over time is the only way to know what you are actually hauling, which is the only way to optimize profitability by account.”

When asked about the time it took to get his drivers trained, Jason said, “I would say, in total, two hours per driver over a two-month period.”

“I think getting them to understand the importance of proper calibration was the most challenging issue we tackled. But, Air-Weigh worked with us, providing the training documents we needed to get the drivers and technicians in order, which made the issues easy to handle.”

Jack echoed Jason’s assessment of the short training cycle for BinMaxx, adding “BinMaxx is very easy to use. Older products require stopping in the middle of the lift to get a good weight reading, but BinMaxx is a weigh-in-motion scale system that does not require any special lifting techniques.”

Revolutionizing Front Loader Waste Collection

Following the successful pilot, Leck Waste implemented BinMaxx scales in all their front loaders and is seeing tremendous savings as a result.

“It has revolutionized the way we look at customer retention and acquisition,” said Jason. “If at any point, more than one-third of a monthly customer invoice is going to pay for the disposal costs of the material you collected from that customer, then you start to be unprofitable.”

“And, if your disposal costs are more than one-half your monthly billed invoice to your customer, then you may as well park your trucks, and mail them a monthly check. Because, that is exactly what you are doing, paying them to pick up their waste.”

As to whether or not the waste and recycling industry as a whole could see similar results with BinMaxx, Jason was certain any company would benefit tremendously.

“Absolutely, the waste industry is stuck in the most archaic pricing methodology. I don’t understand the thought process in the marketplace.”

“The industry seems to think that they can give customers pricing by the cubic yard and volume the customer generates, but they then dispose of what they collect from that customer on a per-pound or per-ton basis. I have heard so many salespeople say, ‘It’s a light account, we can do it cheap!’”

Summing up Leck’s new analytics-driven approach, Jason stated, “My reply now is, ‘Give me the data.’ You cannot manage what you cannot measure.”



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