

I. executive summary

[Business](#), [Marketing](#)



I. Executive Summary SA Recycling is a recycling company that has been in the industry for over 50 years and is recognized as the largest scrap metal recycler in the Southwestern United States, providing approximately ten percent of total scrap metals exported annually. In this marketing plan, we focus on the supplier side, specifically in the residential area, to obtain more recyclable materials in order to maintain its exporting market share in the industry. We suggest SA Recycling apply a market penetration strategy as its strategic direction for long-term sustainable growth. Within the next year, we recommend five marketing activities to ensure SA Recycling's objectives are attainable. First, the company should launch a referral program to strengthen current suppliers' loyalty and to acquire new suppliers. Second, SA Recycling should hand out free bumper stickers with the company's name on them as a gift to current suppliers and encourage them to put these stickers on their vehicle, as a symbol of cooperation to increase awareness in the community. Third, SA Recycling should increase awareness for its pick-up service through truck decal advertisement since most of our competitors do not offer this service. Fourth, SA Recycling should use newspapers as an advertisement channel to reach potential suppliers. Lastly, the company should continue to further develop its environmental educational program at public high schools. These marketing activities will allow SA Recycling to enhance its relationships with current suppliers, create more transactions with new suppliers, and increase awareness in the community.

II. Vision Statement SA Recycling thrives to broaden its leadership in the recycling industry by raising the bar in safety, efficiency, environmental compliance, cultivating a staff of industry experts to build lasting customer and supplier

relationships, while sharing the success with the community. III. Business Mission Statement: SA Recycling is a recycling company that is committed to environmental sustainability by recognizing the importance of protecting the planet's natural resources, keeping harmful contaminants out of the air and water, and making the world a better place to live for everyone. SA Recycling offers an easy, fast, convenient process combined with top prices and safe environment for families and businesses to recycle their materials, while reduces the need for mining, saves energy, lowers production costs for metal manufacturers, and delivers quality metal products throughout the world. IV. Marketing Objectives Through marketing activities, SA Recycling hopes to increase its brand awareness to a larger number of suppliers over the next year in order to obtain more recyclable materials, from an average of 17, 000 tons per week to an average of 20, 000 tons per week. With more recyclable materials, it can increase the frequency of shipments to international customers, from three shipments every seven weeks to three shipments every six weeks (40, 000 tons per shipment). V. Situation Analysis Company Overview: SA Recycling is a recycling company that specializes in metal recycling. It was established in February 1962 as a joint venture business with the original name Hugo Neu-Proler which lasted for 30 years. Ever since then, the company had gone through several joint venture business changes and finally became SA Recycling in 2006. SA recycling is a joint ownership of Sims Group and Adams Steel, which explains the name, " S" for Sims and " A" for Adams. The two parties have 50/50 participation in all decision making, but operates under the presidency of CEO George Adams. Today SA Recycling has more

than 50 recycling facilities located throughout California, Arizona, and Nevada. It also operates the only two port-loading facilities in the southwest United States, which are the port of Long Beach and the port of Los Angeles. SA Recycling offers a full range of recycling services in both residential and commercial or industrial areas. For the residential area, it offers to pay the suppliers cash in exchange for their unwanted materials, including metals, aluminum cans, plastic and glass bottles, appliances, cars, electronics, and many other items that are made out of steel, aluminum, or copper (Exhibit 5). For commercial or industrial areas, it offers similar services as those of residential suppliers but also support services such as shredding, shearing, sorting, baling, torching, auto crushing, and automobile and appliance de-commissioning. A supplier can either take his or her unwanted materials to an SA Recycling facility or call 1-800-GOT-SCRAP to request pick-up service for a small fee. SA Recycling does not publish its prices on the website. A supplier would need to call or come to the recycling facility to get the price list. The price for non-ferrous metal is by pound and the price for ferrous metal is by ton. Prices vary depending on the types of materials sold, and prices fluctuate frequently depending on the competition. Once SA Recycling collects materials from the suppliers, it breaks or shreds them into small pieces of steel with a mega shredder, dumps them into the ship, and finally sells them to overseas customers (Exhibit 1). Customers: SA Recycling sells and exports 100% of their scrap metals to the Asian market, mainly to customers located in Korea, Taiwan, and Vietnam. Its biggest customers include Shagang from China, Dongbu Steel and Hyundai from Korea. The main reason SA Recycling sells to international customers versus domestic

customers is because the costs paid for ocean carrier are cheaper than the costs for railroad. SA Recycling picks the Asian market strictly based on logistics and survival. The Asian market is a huge market with sufficient scale to buy, and therefore provides steady business. Additionally, the customers from the Asian market have quality standards and know SA Recycling for providing high quality scrap metals. As a result, SA Recycling can find buyers easily and decide which ones to sell to. Although it is easy to find buyers, SA Recycling's current problem is not getting enough materials from the suppliers. Therefore, our marketing plan will focus on the supplier side.

Collaborators: As mentioned previously, SA Recycling is a joint business of Sims Group and Adams Steel. The recycling process starts with collecting scrap metals from the suppliers, then cutting or shredding the metals into small pieces, and finally selling and shipping the metals to overseas customers. Adams Steel is in charge of processing the scrap metals, and Sims Group is in charge of sales, distribution, and advertisements. Therefore, the main collaborators are the suppliers who sell scrap metals to SA Recycling, and Sims Group who sells and distributes the scrap metals to the final customers. Sims Group either puts out offers to the customers, or the customers can put out offers themselves, and SA Recycling decides which offers to accept. The suppliers can be divided into two areas: residential and commercial or industrial. Residential suppliers include the peddlers and the homeowners, and commercial or industrial suppliers include waste management companies. Peddlers are people with small pickup trucks who drive around neighborhoods to collect unwanted materials from others. They usually work in a given area and advertise to clean up yards. They either

drive around neighborhoods to pick up items that are left in people's front yards or by the trash area, or go to a muffler shop to pick up old parts. They are considered the most important suppliers to SA Recycling because half of the materials from the feeder yards come from them. They do not care about pollution control and consider money the most important factor in affecting their decision to sell. Due to this reason, they have no or very little loyalty with a particular recycling facility because they simply go to a location that offers better prices. Homeowners are usually garage cleaners or soccer moms who collect cans and bottles. Due to a smaller volume of materials, they come to SA Recycling less frequently than the peddlers. Important factors in affecting their decision to sell would be convenience, cleanliness, and safety. These two segments will be discussed in further detail in the target market description section. Waste management companies include companies such as auto wrecking yards, scrap yards, industrial suppliers, and demolition contractors. These companies are held to the same environmental compliance and regulation standards as those of SA Recycling, and therefore appreciate doing business with SA Recycling. Furthermore, they understand it costs more to be environmentally compliant. Due to this reason, SA Recycling benefits with them from a marketing point of view, and therefore, we will not focus on this segment in our marketing plan. Competition: SA Recycling's direct competitors include local recycling facilities in the area that collect recyclable materials, as well as facilities that can shred the materials and sell them to the final customers. Based on our interviews with the current suppliers at SA Recycling, some of the competitors include OC Recycling, Garcia Recycling, and Corridor

Recycling. SA Recycling's indirect competitors include organizations or individuals that prevent the suppliers from selling their unwanted items to a recycling facility, specifically churches, charities, nonprofit organizations, dealerships, friends, and families. Based on our survey results (Exhibit 3), the main reason why potential suppliers do not recycle is because the city picks up their materials or other people take them. We also found 100% of the potential suppliers have never sold their used appliances or used vehicles to a recycling company, and only 7% of them have sold scrap metal to a recycling company. Their reasons for not selling their materials to a recycling company include: sell to friend or family, give away or donate, trash them, sell to people or stranger, leave in front yard, take to a junk yard, and trade in or swap with new items. Context: SA Recycling is superior to other recycling facilities in terms of technology advances, environmental friendly, and compliance with regulations. It has state-of-the-art equipment such as Mega shredders, Material Recovery Processing Plants (MRPs), and a Regenerative Thermal Oxidizer, for shredding and processing large volumes of metals in seconds, distinguishing metals by type, maximum extracting of recyclable content, getting rid of oil and contaminants, minimizing air emissions (reducing greenhouse gasses by 90%), and producing the best high grade recyclable steel. SA Recycling also has a complete fleet of trucks, containers, and trailers for picking up and delivering materials to different facilities. Additionally, it has the technology for high speed loading onto ships, and there are patents to protect them from copiers. Furthermore, it has an active involvement with the community and it supports a multitude of charity organizations, as well as local schools and colleges. There are many

regulations, such as ID checking for anti-theft laws, as well as other legal and environmental rules for recycling companies to follow. SA Recycling runs their business according to these guidelines, which increases its operational costs and supplier transaction time. However, these laws are not uniformly enforced and the competitors rarely follow them. Due to the competitors being smaller in size, they do not file permits and can avoid inspection from the government. As a result, they can lower their costs in doing business, offer better prices and quicker transactions, which then leads to black market operations and metal theft businesses. Besides the regulation challenges, SA Recycling is also affected by the current economic recession. Based on our interview with Mr. Moises Figueroa, General Manager at the port of Los Angeles, the recycling industry has slowed down over the last three years, and there was a 40 percent decrease in the last six months. The previous life of cars was 5.5 years, but the current life of cars is 11.1 years. Also, people would rather keep and fix their appliances rather than replace them. This is a world-wide concern, and because of that, SA Recycling had to cutback 50 percent of its workforce in order to remain a low-cost producer.

Market Research Findings: We interviewed Mr. Terry Adams, Director of SA Recycling, and Mr. Moises Figueroa, General Manager, to obtain an understanding of the company. In addition, we conducted surveys of current suppliers at SA Recycling and of potential suppliers (non-suppliers) in the market, to gather important factors which affect their decisions to recycle. The supplier surveys consisted of both open-ended and close-ended questions, and were available in English and Spanish. The surveys were distributed at two of the most trafficked SA Recycling facilities, one in

Orange County and one in Los Angeles County. Specifically, they were distributed over a one-week period, on different days, including weekdays and weekends, and at different times, including mornings and afternoons. The non-supplier surveys were distributed to random residents in Orange County and Los Angeles County. The supplier surveys were completed by 50 suppliers and the non-supplier surveys were completed by 30 residents. Significant findings are presented below (Exhibits 2 & 3): Current Suppliers: - 90% are male, 74% are Hispanic, 72% are between 18-44 years old, 50% have annual household income of less than \$30, 000, and 66% completed up to secondary education. - 80% live within 5-10 miles from a SA Recycling facility, 52% have been selling materials to SA Recycling for 1 year or longer, and 52% sell materials to SA Recycling weekly. - The top three important factors in affecting their decisions to sell at SA Recycling include competitive prices, cash payment, and convenient location. - SA Recycling is rated an average of 84 out of 100 for general satisfaction. - 74% heard about SA Recycling through word of mouth, 94% would continue to sell at SA Recycling, and 98% would recommend SA Recycling to others. Potential Suppliers: - 50% are male, 70% are between 18-44 years old, 80% have annual household income of \$50, 000 or higher, and 87% have earned a bachelor's degree or higher. - 73% said they recycle, 64% recycle monthly, main reason for not recycle is city picks up. - 100% have never sold used appliances or a used vehicle to a recycling company and 93% have never sold scrap metal to a recycling company. Main reasons include: sell to friend/family/stranger, give away/donate, trash it, leave in front yard, and trade in/swap. - Common factors in preventing them from recycling include

lack of time and not worth it. - The top three important factors in affecting their decisions to recycle include competitive prices, cash payment, and convenient location. - 93% have never heard of SA Recycling before, 93% would sell to SA recycling if the company offers pick up services for their recyclable items, and 80% would consider selling to SA Recycling once they know more about the company. SWOT Analysis: Strengths: - Knowledgeable about the recycling business and industry (over 50 years in business); - Strong capacity and capital resources to pursue opportunities: Largest scrap metal recycler in the Southwestern United States with two bulk loading port facilities; - Large market share: 10% at national level and 50% at local level (SA Recycling processes and exports over 2 million tons of recycled commodities annually); - Compliance with regulations, environmentally friendly, and highly involved in community; - Good culture workforce with knowledgeable employees (a third of employees have been working at SA Recycling for over 30 years); - Good reputation by international customers for high-quality scrap metals and by suppliers for honest-price-honest-weight system & prompt payment (pay in the same day); - Offer pick-up services for large residential items (appliances, electronics, vehicles, etc.); - Loading capabilities: Own device for high speed loading without damaging container, can load up to 40, 000 tons in 3. 5 days which is ahead of the competitors; - Equipment Innovations: Mega shredders (owns 4 out of 7 in the region); - Can obtain the best rate for shipping because of high quantity of materials shipped overseas; - Market intelligence: Can match or offer better price than what the competitors offer. Weaknesses: - Low awareness in the market and low loyalty in the suppliers (peddlers); - Limited scrap materials received

from suppliers; - Application of cost-cutting strategy to survive the recession; - Higher costs to ship domestically than oversea (reason for international customers); - Longshoremen from the shipping company have no or little experience, which can slow down the process or get into accident and can result in potential lawsuits. Opportunities: - Increase awareness by targeting people with environmentally friendly lifestyle, explaining the benefits of recycling to them, and differentiating why SA Recycling is better; - Expand geographically to major export ports such as port of Houston, El Paso, New Mexico, Utah, Louisiana in order to effectively ship materials within the U. S. at low cost; - Purchase more shredders in Arizona and Nevada to increase its presence in those locations; - Self-supply with iron ore project to recover leftover iron from mining & ship to foundries; - Utilize all infrastructure and logistic operations to recycle more (focus on other types of recycling materials such as paper, tire, plastic), extract more values from materials leftover from the recycling process (convert waste material left from car shredding into fuel or other re-usable material), and add more value to the materials (melt down of aluminum & copper to separate them versus selling a mix load of them); - Cost effectiveness: Do trading with international countries to take full advantage of shipping costs that have been paid for (containers come back full instead of empty); - Acquire companies who own grocery store Kiosk businesses to collect more materials. Threats: - Intense competition from direct and indirect competitors; - Empty containers from Asia countries (anyone can use them to ship materials oversea and eliminate the need of using SA Recycling containers); - Laws are not uniformly enforced and competitors rarely follow regulations; - Competitors can copy

SA Recycling's device for high speed loading; - Currency loss due to uncertainty/fluctuations of exchange rates. VI. Strategic Directions We recommend that SA Recycling apply the market penetration strategy in order to sustain the firm's growth and achieve its long-term objectives. The firm should offer better prices as well as promotions to its suppliers. This strategy would help SA Recycling increase the market share of its current services, attract more suppliers, and obtain more materials from those suppliers. By taking advantage of this aggressive strategy, SA Recycling could drive out small competitors who have less capital and human resources. VII. Target Market Description SA Recycling's supplier target market can be divided into three segments: peddlers, homeowners, and waste management companies. However, as explained above, we limited our marketing plan to focus on only two segments which are peddlers and homeowners, and excluded waste management companies. Based on the information we gathered during our on-site interviews and results from our supplier survey, we determined the peddlers and homeowners can be characterized using demographic, frequency, and benefit segmentation strategies (Exhibit 4). Peddlers: Majority of individuals in this group are ages 35 to 54, with annual household income of less than \$30, 000 to \$50, 000, completed up to secondary education (high school or less), rent a room or an apartment, unemployed to full time, and live within five to ten miles from an SA Recycling facility. They sell all types of recyclable materials, including scrap metal, cans and bottles, furniture, appliances, and so on. They sell materials to SA Recycling very frequently from daily to several times a week, with volume from 10 kilograms to more than 50 kilograms, and receive from \$50 to \$500 or more

on an average trip. Although they have a long history of selling materials to SA Recycling, from one year to more than three years, their loyalty is questionable as they consider price the most important factor, followed by time in & out (speed), then customer service. Based on our interviews with some of these individuals, we found that the majority of them were not satisfied with the speed at SA Recycling. However, it did not affect their decision to come there because SA Recycling offered better prices than its local competitors. Therefore, SA Recycling is well-positioned to serve this segment. In order to keep these suppliers, SA Recycling must continue to pay competitive prices while also focusing on providing services that will add more value to the suppliers and increase their loyalty.

Homeowners: In comparison to the peddlers, homeowners are slightly younger in age, with higher education, earn more income, and have better living situation. The majority of them are between the ages 25 to 44, with an annual household income of less than \$30, 000 to \$70, 000, are either high school graduates or college graduates, rent an apartment to own a house, work part time to full time, and live within five miles to twenty miles from an SA Recycling facility. They typically sell cans and bottles, come to SA Recycling less frequently than the peddlers, from once a week to once a month, with volume from less than 5 kilograms to less than 10 kilograms, and receive from less than \$10 to less than \$50 on an average trip. Homeowners have a shorter history of selling materials to SA Recycling, from less than one month to less than one year. Despite the differences above, they seek some similar benefits as those of the peddlers, where they consider price being most important, followed by convenience, then customer service. Although their main

decision for coming to SA Recycling is due to higher prices received, they can settle for less if the location is more convenient for them. Currently, SA Recycling is well-positioned to serve this segment in terms of competitive pricing. However, it can focus on offering services that are convenient to the homeowners in order to maintain or increase their loyalty.

VIII. Marketing Mix Positioning Strategy: Supplier Needs and Wants: Based on the survey results, the suppliers consider competitive price being the most important factor in affecting their decision to sell their materials to a recycling company, and the second most important factor is cash payment method (Exhibit 2). The primary reason for this price sensitivity is because a huge amount of suppliers, mostly peddlers, consider selling recyclable materials to recycling companies as their business, and therefore, would seek company who can offer the best price. Peddlers also prefer to be paid in cash rather than other type of payments. In comparison to peddlers, most homeowners have different wants when they sell their materials to a recycling company. Some simply wish to get rid of their unwanted materials, and some want to sell them so they can get money back but do not care much about the value they receive. Only a few of the suppliers really care about how their actions of selling materials to a recycling company would save the environment and benefit the community. Besides those factors, all suppliers expect a recycling company to collect all categories of recyclable materials that they bring in. Based on the above factors, we conclude that all suppliers would choose a recycling company with adequate capital resources to buy their materials and be able to pay them in cash.

Points of Parity: In general, SA Recycling and other competitors provide the same services to their suppliers. The staff

weighs the materials that the suppliers bring in then pays them based on the current price. In order to keep current suppliers come back or acquire new suppliers, a recycling company should offer competitive price. To pursue this task, a recycling company would constantly adjust and update its price based on the current market price of the materials. For payment method, a typical recycling company pays the suppliers in cash or check. Points of Difference: One of the differences between SA Recycling and other recycling companies is that SA Recycling is very serious in following all required laws and regulations, whereas the competitors rarely follow them. A second difference is that SA Recycling is known for its honest-price-honest-weight system, whereas other competitors may cheat the suppliers by offering to pay a higher price but would dishonestly report a lower weight. A third difference is SA Recycling offers pick-up services to the suppliers where a company representative will come to the supplier's residence and pick up the recyclable materials. Other competitors such as OC Recycling and Garcia Recycling do not offer this service. According to our potential supplier survey results, 93% of potential suppliers would consider selling their materials if the recycling company offers pick-up services (Exhibit 3). However, SA Recycling is not focusing on informing its potential suppliers about this service. The company concentrates more on the major suppliers or the peddlers who are able to transport materials to the recycling facility. Competitor's Points of Difference: As mentioned above, SA Recycling's competitors rarely follow regulations. Due to this reason, they can lower costs in doing business and therefore are able to offer better prices to the suppliers. Since they do not require an ID check, they can also reduce

transaction time to the suppliers. When being asked about pick-up services, they often lead the potential suppliers to the peddlers who can provide the service. Positioning Statement: SA Recycling is currently the largest scrap metal recycler in Southwestern United States. The company provides a truly recycling service to the suppliers, has capital resources to buy materials at a competitive price that is appealing to the suppliers, complies with regulations, and considers the environment in mind. Therefore, SA Recycling could attract more potential suppliers who want their materials to be recycled and reused for good purposes. Service Strategy: Based on our supplier survey results, SA Recycling received an average of 88 out of 100 for customer service overall satisfaction (Exhibit 2). This confirms that the company is doing a great job satisfying the suppliers' needs and wants. However, in order to maintain or improve their satisfaction, we recommend SA Recycling to add services that can add more values to the suppliers. According to our interviews with the suppliers, SA Recycling should reduce on-site transaction time by offering services such as helping the suppliers unload their materials, have different lines for different transactions (one line for cans and bottles and another line for scrap metals to speed up the process). Another suggestion from the suppliers is to have some sort of clean water on site for the suppliers to wash their hands after they finish selling their materials. As some suppliers pointed out, they dislike SA Recycling's staff refer to them as " peddlers". Therefore, the staff should be re-trained and informed about the importance of the suppliers to enhance the relationships with the suppliers and to help the business grow. Supply Strategy: As mentioned above, one of the competitive advantages of SA

Recycling over the rivals is the pick-up service. Although there is an assumption that recyclable materials should be brought to the recycling facility by the suppliers themselves, 93% of potential suppliers indicated that they would sell to a recycling company that offers pick-up services (Exhibit 3). In addition, convenience is one of the important factors in affecting their decisions to recycle. Therefore, we recommend the company increase awareness for its pick-up service through truck decal advertising to capture this demand. Pricing Strategy: SA Recycling is providing a very competitive price to the suppliers. This has proven to be a good strategy since most current suppliers rated the company an average of six out of seven for competitive price (Exhibit 2). However, this is not a sustainable strategy since it will not build strong customer loyalty. As mentioned before, majority of suppliers come to SA Recycling because of the competitive price. Thus, we recommend the company apply promotion programs to attract new suppliers and increase loyalty with current suppliers. Promotion Strategy: As mentioned above, instead of a high-price strategy, SA Recycling should consider promotional tactics as the company's long-term strategy. This would help the company increase awareness among the community, strengthen relationship with current suppliers, and easily attract potential suppliers. We recommend the follow marketing activities: Referral Program: SA Recycling will initiate a referral program in an effort to keep current suppliers loyal and to establish business with new suppliers. According to the supplier survey results (Exhibit 2), most of the suppliers indicated that they heard of SA Recycling from word-of-mouth advertising by friends and family; therefore, this program will utilize this trusted advertising method through

the help of the referral program. Suppliers will receive a coupon for premium price payment of goods each time they refer a new supplier who sells goods to any SA Recycling facility. In order to benefit and best reward the supplier, the coupon can be used whenever the supplier chooses to. This would give them the opportunity to accumulate a heavy weight of goods to sell and maximize their premium price payment benefit.

Newspaper Advertising: SA Recycling will use newspapers for advertising in Orange County and Long Beach area. This will increase awareness about the company, and is also an effective way to reach the homeowner (housewives or soccer moms) segment. The newspapers selected are based on “ info-graphic” and circulation data that are included in the media kits.

Bumper Sticker: SA Recycling will create stickers with the company’s name on them and will be distributed to the current suppliers as a gift. The suppliers can put the stickers on their car bumpers, doors, or windshields. This strategy takes advantage of the current suppliers as an advertising channel. This will increase brand awareness about SA Recycling since most current suppliers (peddlers) drive around neighborhoods to collect scrap items.

Educational Program: SA Recycling will expand its current educational programs to be more in-depth by incorporating the benefits of recycling and the importance of fossil fuel conservation into a students learning cycle by meeting the California Science Content Standards. SA Recycling will host field trips to high school students in Los Angeles and Orange counties, specifically public high schools in Anaheim, Long Beach, San Pedro, and Torrance. The field trip includes: A one-hour visit to SA Recycling in Terminal Island to provide the students an opportunity to walk the yard and experience how materials can

be recycled (demonstration of the Mega Shredder), a 5-min video about how each student can help make this a better green community by reducing waste, and finally, free magnets will be provided as a reminder to recycle instead of dump (“ Sell your scrap to us. We will pick up and pay you. ”)

Since the students communicate with their parents on a daily basis, offering this program would spread awareness about the company to their family members and will create a strong loyalty with the youth, who then may potentially become suppliers in the future.

IX. Implementation, Evaluation, and Control

Implementation: The total cost of marketing activities listed below is \$13, 822 (Exhibit 6).

Truck Decal Advertising: Starting in January 2013, SA Recycling trucks used for the pick-up service will have decals displayed on them to visually advertise to the general public the supplier benefits of the pick-up service. To initiate this plan, 25 company trucks used for the pick-up service within Los Angeles and Orange counties will have the decal put on them, for a total cost of \$1, 100.

Referral Program: The referral program will be initiated in January 2013. First, SA Recycling employees will give business cards to suppliers and inform them about the referral program. The business card will be used by the supplier to write down their identification information on the back of the card before giving it to their referral. This will conveniently provide the new supplier with SA Recycling's address, along with the necessary contact information of the supplier who referred them. The new seller will give this card to the staff (cashier), who will input into an Excel spreadsheet on the SA Recycling's shared drive the referring supplier and new supplier's information. When a supplier makes a claim to their premium price payment coupon for referring a new seller, they

will give the cashier their identification information to verify the referral. SA Recycling will stamp a tracking number onto each coupon which is linked to the supplier's information within the spreadsheet. When the supplier uses the coupon for a transaction, SA Recycling will be able to record the final completion step of the referral. The total cost for this program is \$490 which includes: \$70 for 2, 500 business cards and \$420 for 2, 000 note cards (for coupons). Newspaper Advertising: The ads should be running during the tax return period, from the end of February to the end of April 2013. We have picked two newspapers, which include Long Beach Gazette and Orange County Register. The total cost for this plan is \$6, 920 which includes: \$2, 820 for 7-week ¼ page ad (tier 1 & tier 2) and \$4, 100 for 5-10 week ¼ page ad. Bumper Sticker: The stickers will be implemented as soon as possible. The size would be 3. 50" height x 11. 75" width, Vinyl (UV Coating) paper, and standard hardcopy proofing. The total cost for 10, 000 stickers is \$3, 512 (includes 40% off) at PS Print Company. SA Recycling will distribute these stickers over five recycling facilities in Los Angeles and Orange counties. Educational Program: The implementation will begin for 2012-2013 school year. From December 2012 to June 2013, field trips will be offered Monday to Friday, 9: 30 a. m. to 11: 30 a. m. All field trips are available on a first-come-first-serve basis. A maximum of 36 students can be accommodated per field trip. There is no charge for field trips as their way to educate students. Online registration you will find: Permission Slips, Teacher Evaluation, and Student Reflection. The total cost for this plan is \$1, 800 per semester which includes: \$800 for 4, 000 magnets and \$1, 000 for 4, 000 brochures. Evaluation: Truck Decal Advertising: SA Recycling can keep track of the

number of pick-up service phone inquiries and collection requests it receives after SA Recycling trucks have had the advertising information displayed on them. Referral Program: Business cards given to new suppliers to refer them to sell goods at SA Recycling will be turned into the cashier and the information from the card and the new supplier will be recorded on an Excel spreadsheet titled, " Referral Program". The cashier will also record in the Referral Program spreadsheet when coupons are issued and when they are turned in. This allows SA Recycling to quantify how much progress is taking place to build brand awareness and increase the supplier base through supplier networking. Newspaper Advertising: At the end of April 2013, we will conduct a new survey for current suppliers and potential suppliers to ask how they heard about SA Recycling and include newspaper as an option. We will analyze if the number of the newspaper options increase. Bumper Sticker: SA Recycling will count the number of stickers given out and observe if suppliers actually put them on their vehicles. Educational Program: After a six-month period, we will re-evaluate our potential suppliers by conducting a survey. We will ask how they heard about SA Recycling and include high school educational program as an option. We will analyze the result to determine whether our increase of awareness was successful. Control: Truck Decal Advertising: SA Recycling's phone operators will log the number of pick-up service phone inquiries they receive and ask the callers how they heard of the service. The number of pick-up service transactions will be recorded for monitoring purposes to see if business is expanding in this area. The feedback received from callers will let SA Recycling know if the truck decals are spreading awareness to new suppliers. Referral Program: The

Referral Program spreadsheet created on SA Recycling's shared drive will give cashiers at all SA Recycling facilities access to the same spreadsheet to record supplier data. The name of the new supplier and the referring supplier will be added to the tracking system to ensure that the program is not abused and new sellers can only be referred once. The number of new suppliers, coupons issued, and coupons turned in will be totaled monthly to check the progress of the referral program. By tracking the names of the suppliers who are making multiple referrals, SA Recycling can monitor who their most valuable suppliers are, giving the company an opportunity to further reward these suppliers in the future and strengthen their supplier loyalty even more.

Newspaper Advertising: New phone lines will be installed for each newspaper SA Recycling advertises in. Then the total number of calls from each line can be calculated to see if the printed advertisements catch people's attention. This will also allow the company to find out which newspapers are the most effective for future advertising purposes.

Bumper Sticker: SA Recycling will ensure that the staff informs suppliers about the free bumper sticker. These stickers should be placed next to the cashier counters so it is easily noticed and taken by the suppliers. Once the stickers are distributed to each site, the company can compute the number of stickers given to suppliers. This should be conducted monthly.

Educational Program: After every field trip, each student fills out a survey that relates to the usefulness of the activities, effectiveness of program instructor, as well as their perspective on science and engineering as future areas of study. With this feedback, we can make any necessary adjustments to the high school program to bring more awareness and increase suppliers.

Exhibit 1:

SA Recycling Supply Chain Diagram [pic] Exhibit 2: SA Recycling Supplier

Profile | Demographic | | Gender | | Household Income | | | Male | 90% |
 | Less than \$30, 000 | 50% | | | Female | 10% | | \$30, 000 to \$50, 000 | 28%
 | | | | \$50, 000 to \$70, 000 | 14% | | Age | | | More than \$70, 000 | 8%
 | | | | 18 to 24 | 20% | | | | 25 to 34 | 20% | Education | | | 35 to 44 |
 32% | | High school or less | 66% | | | 45 to 54 | 18% | | Some college |
 14% | | | 55 to 64 | 10% | | Associate degree | 8% | | | 65 and older | 0% |
 | Bachelor's degree | 4% | | | | | Some graduate school | 2% | | Ethnicity |
 | | Master's degree | 0% | | | | Caucasian | 18% | | PhD | 2% | | | Latino |
 74% | | | | Asian | 0% | Living Situation | | | African-American | 6% |
 | Rent a room | 28% | | | Other | 2% | | Rent an apt | 32% | | | | Rent
 a house | 12% | | Employment | | | Own a house | 20% | | | Unemployed |
 30% | | Live in a dorm | 4% | | | Part time | 24% | | Other | 4% | | | Full
 time | 44% | | | | Retired | 2% | | | | | | | | | Geographic | |
 Location | | | | | | Within 5 miles | 50% | | | | | Within 10 miles |
 30% | | | | | Within 20 miles | 12% | | | | | Within 50 miles | 8% | | | |
 | Exhibit 2: SA Recycling Supplier Profile (continued) | Frequency | | Number
 of SA locations visited | | Materials sold on average trip | | | 1 location |
 56% | | Scrap metal | 38% | | | 2 or more locations | 44% | | Cans &
 bottles | 26% | | | | Junk car | 0% | | Selling history with SA Recycling |
 | | Furniture | 2% | | | Less than 1 month | 12% | | Appliances | 0% | | |
 Less than 6 months | 8% | | 2 or more from above | 32% | | | Less than 1
 year | 28% | | Other | 2% | | | 1 to 3 years | 24% | | | | More than 3
 years | 28% | Volume sold on average trip | | | | | Less than 5 kg |
 24% | | Frequency of transactions | | | Less than 10 kg | 32% | | | Daily |

88% | | Not sure | 2% | | | | | Probably not | 0% | | Price at SA Recycling
| | | Definitely not | 0% | | | | Excellent | 14% | | | | Good | 70% | | |
| | | Neutral | 14% | | | | Not good | 2% | | | | Exhibit 3: Potential
Supplier Profile | Demographic | | Gender | | Household Income | | | Male
| 50% | | Less than \$30, 000 | 10% | | | Female | 50% | | \$30, 000 to \$50,
000 | 10% | | | | \$50, 000 to \$70, 000 | 20% | | Age | | | More than
\$70, 000 | 60% | | | 18 to 24 | 10% | | | | 25 to 34 | 50% | Education |
| | | 35 to 44 | 10% | | | High school or less | 3% | | | 45 to 54 | 20% | |
Some college | 10% | | | 55 to 64 | 10% | | | Associate degree | 0% | | | 65
and older | 0% | | | Bachelor's degree | 67% | | | | | Some graduate
school | 7% | | | Ethnicity | | | Master's degree | 10% | | | Caucasian | 30% |
| PhD | 3% | | | Latino | 30% | | | | Asian | 33% | Living Situation | | |
| African-American | 7% | | | Rent a room | 23% | | | Other | 0% | | Rent an
apt | 27% | | | | | Rent a house | 7% | | Employment | | | Own a house |
43% | | | Unemployed | 3% | | | Live in a dorm | 0% | | | Part time | 13% | |
Other | 0% | | | Full time | 83% | | | | | Retired | 0% | | | | Exhibit 3:
Potential Supplier Profile (continued) | Frequency | | Behavioral | |
Frequency of Recycling | | | Recycle | 73% | | Weekly | 5% | | | Don't
recycle | 27% | | Bi-monthly | 14% | | | | Monthly | 64% | | Factors for Not
Recycling | | | Every other month | 18% | | | City picks up | 75% | | | |
People take them | 25% | Factors Prevent Recycling | | | | | Lack of time |
25% | | | | Don't know where to go | 7% | | | | No truck to transport |
7% | | | | Not worth it | 25% | | | | | 2 or more from above | 36% | |
Used appliances | | If no, what did you do? | | | | Sold to a recycling
company | 0% | | Sell to friend/family | 0% | | | Never sold to a recycling co.

| 100% | | Give away/donate | 33% | | | | | | Trash | 13% | | | | | | Sell to people/stranger | 0% | | | | | | Leave in front yard | 13% | | | | | | Take to junk yard | 3% | | | | | | Trade in/swap | 3% | | | | | | 2 or more from above | 33% | | Used vehicle | | If no, what did you do? | | | | Sold to a recycling company | 0% | | Sell to people/stranger | 20% | | | Never sold to a recycling co. | 100% | | Give away/donate | 17% | | | | | Government buy-back | 0% | | | | | | Sell to friend/family | 17% | | | | | | Sell to junk yard | 7% | | | | | | Trade in/swap | 23% | | | | | | 2 or more from above | 17% | | Scrap metal | | If no, what did you do? | | | | Sold to a recycling company | 7% | | Trash | 14% | | Never sold to a recycling co. | 93% | | Leave in front yard | 21% | | | | | | Take to junk yard | 0% | | | | | | Never owned scrap metal | 64% |

Exhibit 3: Potential Supplier Profile
(continued) | Benefit | | Level of Importance (5 being the best) | Importance in Ranking (1 being the best) | | | Recycling store reputation | 3 | | Competitive prices | 1 | | | Facility appearance | 3 | | Cash payment | 2 | | | Convenient location | 5 | | Convenient location | 3 | | | Competitive prices | 4 | | Time in & out (speed) | 4 | | | Support local community | 3 | | Customer service | 5 | | | Knowledgeable staff | 3 | | | | | Speed of recycling experience | 4 | Pick up Services | | | | | | Would consider selling | 93% | | | | | | Would not consider selling | 3% | | | | | | Undecided | 3% | | | | | | Awareness | | Awareness | | If know more about SA Recycling | | | | Heard of SA Recy