

An Innovators Perspective with David Moses

The Shred Coach Podcast Transcript

TOM

David Moses, welcome to the Shred Coach Podcast. I'm glad you're here.

DAVID

Thanks, Tom. Great to be here. Thank you.

TOM

Yeah, no, I'm excited to have you on the show today. And you and I... I mean, I've known you a long time. You've been somebody in this industry a long time. And I've always been impressed by the kind of interesting things you've been doing in the world. And so today I wanted to bring you on and talk about some of the interesting stuff you're doing, but more so learn from that interesting stuff. So, before we dive into really the heart of the conversation, give me in brief your story. Tell me a little bit about your professional background, the stages and states of that, and just give us a sense of where you've come.

DAVID

Great. Thanks. So, my sales career started at a company called UARCO Business Forums back in the mid eighties in downtown Boston area where UARCO, which at the time was about a hundred years old, one of the oldest printing companies in the country, was really considered that- going through that training program was considered like a master's degree in systems analysis and print design for business forms, which at the time in the eighties, it was the printed form that was the critical part of the information that would go from one person, whether it's the operation to the customer or within the operation. You know, we didn't have desktop computers. You didn't have laptops.

So, the way data was transferred, say for shipping documents or picking things or invoicing or inventory, it was the printed form that was critical. So, we were trained and taught over the years on how to design very unique printing systems for customers and that started kind of my systems analysis background of trying to provide a better solution for customers that was really the first part of my introduction to the data industry. And it was all around the printed matter and making things more efficient, cost effective for the customers than just the basic things that people would print.

So, that's where it started in the mid eighties. Worked for that company for about eight years and then started my own printing brokerage company and went out on my own, and I've been self-employed since the early nineties, so 30 years. As I would was doing a lot of different printing still as when I first started my printing company, I was offered other opportunities to get involved in other types of products besides print. And one particular one was- you know, well they started out it would be like packaging and it was, say, maybe still printing, but it's on corrugated versus a business form. And as the computers really started taking over a lot of the

technology and things change in the into the nineties, my value of the printed form changed quite a bit; diminished, wasn't as critical, a lot of plain white paper. So, as I started looking for other avenues and found other customers that I could still use that same systems analysis and same approach to solving a problem and providing a solution that was better than what they were using, it just kind of spread to other technologies and other materials and products and industries.

TOM

So, what I knew you as was an innovator. So, I look back at when I... my first introduction to you was, when I first met you, you had built an innovative product, I believe at the time for Iron Mountain, right? It was it was a tape case.

DAVID

Correct. Yeah. And this is one of my favorite kind of innovation type of stories is that I first started working with Iron Mountain back in the late eighties, maybe 90, 1990, when they were about a \$75 million a year company. Very small at the time. And they asked for some help. Very... they cold called me to look for some help to help design their bar-coding system for their original cartons that they were buying up locations around the country and they were trying to integrate barcoding into their tracking system for all their cartons. They didn't do it back in the late eighties. And I worked with Richard Reese, the, you know, the CEO founder at the time of Iron Mountain and a lot of other senior executives there, and helped them design the very first barcode application for all of Iron Mountain's cartons around the country.

TOM

So, were you act- this was related to the print business though. That's how they connected with you.

DAVID

Correct.

TOM

And so, they were... they were looking for the way to print the barcodes and your expertise was bringing that barcode capability to bear to their software, or were you involved in the software too?

DAVID

I didn't help design the software. They had said, "Okay, here's what we need to be able to do. We get all these cartons in..." and this is going to get to the containers with Iron Mountain. This is how the innovation stuff happens, right, is they needed to be able to get a unique barcode label on every single carton, but also have that unique identifier, a number and that barcode on some documents so they could scan the document, scan the carton, scan the location in the warehouse where it was going to go, and it gave them a tracking software to be able to say, "Okay, we have a thousand cartons from this customer and 20 from that one. And we know that we put them in

their system, we know that we scanned it, and we have what the data in those cartons are, and now we know what location it is and when they want to pick it, we can go right to that location”.

So, it was a way for them to, to bring some integrity to their storage of cartons. And it started out they, Iron Mountain was printing those barcode labels internally at about four or five different print centers around the country. They hated doing it themselves. One person drew the short straw every week and had to print labels and it was a mess for them and they were growing like crazy. So, they asked if I could find a way to print the bar- not only print the forms for them. So, I basically designed the form that had three parts of paper: one for the customer, one for receiving Iron Mountain, one for like data entry, and then the label was attached to it. So, you couldn't make a mistake on matching up. That was the value of a design that you're going to put the barcode and the number and the customer information on both halves of that form. No mistakes. Customer would apply that label and submit the documents. Iron Mountain would scan them. So, it was a big to-do and they wanted to get out of the barcode label printing business.

So, I bought a bunch of barcode label printers and we started printing barcode label. Instead of shipping those to Iron Mountain, we would take them in the millions ourself, and we would print those barcode forms for them, and we did a desktop delivery system. If a customer, let's say, you know, bank XYZ out on the west coast, you know, had- they needed hundred labels, Iron Mountain would place an order by fax machine and we would get a hundred orders in a day sometimes, and we would... we did desktop delivery directly to Iron Mountain's customers of the stack of barcode labels for them to use 24 hours later. It was a great process for Iron Mountain. If they bought a location, they would download a file to us. We would print a hundred thousand labels for them and ship them out the next day.

We printed labels, barcode labels for Iron Mountain for about 15 years, six days a week, you know, 18 hours a day. It was a great, great piece of business and it helped us grow with some other customers. We picked up some really great barcoding on demand, just variable data that really helped Iron Mountain quite a bit. Helped them grow because they didn't have to think about where the labels would come from in a timely manner. And for us, we built a business on variable printing of barcode. It was great. Back around...

TOM

So, before you go on, before you go on, because I am completely intrigued by this story already. You come out of the business form business, you create your own, basically, brokerage. So, you're just selling other people's stuff. And when you're a broker, you're just selling other people's stuff. And somewhere along the line you switch and you decide, and Iron Mountain becomes one of those clients where you bringing in-house, and now you're buying printers and now you're, you're creating fulfillment systems. So, you're leveraging your sales background and your systems analysis of business forms, and now you're moving it into creating complex solutions to complex problems for a big global client. Or at that point they're still, they were still national but growing rapidly. So, you take on this whole new approach to things based on the opportunity sitting in front of you. And I guess the question that comes out of that for me is how are... is it just natural instinct in you to see this opportunity emerging and you just kind of walk

through the door, or are you at times in this process going, “I don't know where the heck I'm going, I'm just stepping one foot in front of another”? What's... what's happening at that point in your life?

DAVID

A little bit of both. It's, you know, we had found some ways to do some variable data printing for Iron Mountain when they would get some huge... they would buy some large lo- you know, competitors of theirs and they were expanding. And so, we had to, you know, they were looking for some ways. So, you have a customer - this is something I was going to talk about at some point is - but you've got a customer that's willing to discuss options with you. And that's one, that was one of the most important things with Iron Mountain at the time, is they had, you know, it was a small company with huge growth in their eyes and obviously in their future now at this point, right? Or their current where they are. And so, there were people that were there that were open to suggestion and thoughts of what's the best way to get this done without us having to, you know, they were going through like their own make or buy decision making process. And I would do go through the same thing, you know, do I outsource that barcoding? And, you know, and I did that for a little while at first, before I bought those printers. I kind of fast forward, I outsourced it for a little while, but nobody could get it done with a sense of urgency that I could do. So, you go out and you spend, you know, these printers were 10 to \$15,000 a piece. I spent a lot of money; I risked a lot to be able to create it. And I did it in thinking, “Okay, well how does FedEx do it?” Like back...

TOM

Right.

DAVID

Like now, I want to UPS or FedEx something, my label prints out on my little cut sheet laser printer here. But at the time, back then, you would call FedEx and say, I need 500 pre-printed labels with my account information on there and my address and everything else. I said, “Well, how does FedEx do it? They got a bank of printers. Impact printers cause multiple parts. It's not a laser printer. You know, multiple part forms and labels and everybody's getting a piece of something.” So, in my head I said, “Well, you know, they're just taking in data and they're pumping it out.” And I had a great guy who's helped me throughout the years and how to, you know, work with data, how to segregate it out, how to sort it, how to print it, you know, logically he's a genius. So, thanks Dan. And so, he helped me make sure that we could corral the amount of data.

And I'll sidetrack to an interesting thing that happened down the road that I had public story, but, you know, when Iron Mountain had a huge fire at one of their facilities in New Jersey, massive, massive fire...

TOM

Yep.

DAVID

Yeah. So, what happened is my company Express Business Forms was the name of it at the time, we had printed every single label that was in that facility. And the only way, because Iron Mountain was very decentralized at the time, and you know, they were buying up places left and right, so only the locations knew what was in their facility. They didn't like, they weren't, you know, bringing that stuff together to a corporate office at the time. And so, when that fire happened and they lost all those records, they came back to me and said, "Hey, we need to know what you've printed for a lot of these places in the, you know, all these customers." We ended up printing massive truckloads of reports for the fire marshal, the insurance companies, the customers, Iron Mountain, the lawyers and everybody else because we were one of the few that actually had a lot of the data for what was where at that time, you know?

So, we had a very, long term at that point, very trusting, you know, solid relationship where, you know, they looked to me for solutions. I could, you know, propose options to them and they listened and it would grow from there. So...

TOM

So, how did we get from there to case tapes? Because that seems like a completely separate...

DAVID

It certainly is. It is...

TOM

So, what happened? Tell me, tell me the story there.

DAVID

This is one of my favorite stories because I... we are, Printing millions and millions of labels for Iron Mountain and other customers at the time; it was really a great piece of business. As the internet started to really take off in, you know, in the late nineties and you could buy like these-or... and FedEx and UPS started giving you these little thermal transfer printers, I was like, "Oh my goodness. All this label printing that we're doing, I can see what's going to happen. Iron Mountain, a customer's going to log into Iron Mountain, say, 'Hey, I need a hundred labels' and instead of that order going to me, Iron Mountain's going to create that data internally and send it to the customer, say, 'Okay, well print it yourself on your own little cut sheet printer or thermal transfer printer.'" And I saw it coming actually pretty soon. I got to some trade shows and said, "Oh my goodness, we're, I'm losing this. But it's, maybe it's a year, maybe it's three. That stuff is going out the door."

DAVID (cont.)

So again, that's like, you know, late nineties, close to 2000, and I had been... So, I'm starting to panic thinking, "Oh my goodness, what am I going to do for all this printing business and everything else?" And I was introduced to Harry Ebbinghaus. Now, anybody in the industry knows Harry. Harry was at the time the vice President of Iron Mountain's Data Storage business. They had bought Arcus which was huge, and the Iron Mountain's media storage was getting going, but it wasn't as big as their carton storage, you know, for records management. And somebody said, "You know, you should really talk to Harry. He's a great guy." And Harry and I met late June of 2000 at six o'clock for breakfast at the Sheridan Terra in Framingham Inn. I remember it because it was a critical point and I said, panicking, I was going to meet this guy. And I said... and Harry's just a great guy, still very close friends now. It was the first time I met him, I said, "Harry, we've been doing all this printing for Iron Mountain for, you know, 15 years and here's what I see happening and, you know, I'm just concerned. I don't know what's going to happen with our relationship. I'm concerned we're going to lose all this business and I don't know what to do." Very honest with him. And he said, "Well, geez, I hadn't even really...", it wasn't his responsibility to think this stuff through. I was already panicking about it. And he said, "Well, I hadn't really thought about it to that degree, but you're probably right, I suppose."

And we started talking about a couple things. He said, "You know, I wish that my..." Harry's responsible for the data side, not the cart side. He says, "You know, I wish my container business was as organized as your printing business." I said, "What do you mean?" He said, "The containers that we use around the country, you know, we're buying up these places. There's no standardization. And it's just so disorganized, but your printing business has really done a tremendous job for Iron Mountain, but we're a mess over on this side." I said, "Well, what are the containers? I don't know what they are, you know?" So, he explained them to me and I said, "Wow, gee, that's too bad." And I had already been starting to look for other businesses like buy a franchise or do something else and like I'm panicking, I'm in my internal panic mode for what business is going to be like five years down the road. And Harry kind of lays this thing out and says, "You know, our container business is a mess." "Huh. That's too bad."

Next day I called him back, said, "Harry," said, "You know, breakfast was nice. Would you mind if I took a look at that container program?" He says, "No, I'll let you talk to so-and-so and you got cart blanche to talk to them about anything you want and I'll make sure that they tell you everything that you need to know." I said, "Great." So, that started it.

So, I ended up talking with a few locations around the country. They were very transparent. I said, "I need to know what you're buying, what you're spending, what the volume is and everything else." It went around and I got all these samples of all these containers and Iron Mountain at the time was using up to 50 different shapes and sizes and materials of containers around the country. If you went to a location, say up here in Burlington, Mass, you'd see one thing on one size rack. If you went out to Los Angeles, you'd see another thing on another size rack and metal and plastic and tubs and cardboard, and no standardization whatsoever. Because again, a lot of it was because they were buying up a lot of companies and everybody was using something different. But there was... Iron Mountain was very decentralized, so whatever that

location wanted to buy, that's what they bought. Douglas, the old metal stuff, if you remember them and Turtle, of course, Ken Schneider selling a lot of his plastic stuff in there and everything else in between.

So, I started meeting with a couple of the senior guys in the data storage side of it, most of them out in Seattle. And they said, "Well, here's what we want to be able to accomplish with the containers." And I started from scratch. I had never done anything in plastic like that at all. I had never designed a, you know, I didn't... I mean, I understood the process of molding things, but I mean, 100th of 1% of what anybody intelligent would think you would need to know for it, right? So, I was an absolute neophyte with it. But I knew how to search around and find a way to say, "Okay, well what's working for you now? What would be a better idea?" And I came up with that solution essentially of what ended up being Iron Mountain's globalized standard for containers, which was three different containers with interchangeable trays, which didn't exist at the time. Everything was already molded in or made a certain way. And I came up with a very simplistic approach to all the different types of media that were being used at the time: Hapich Tape, DLT, LTO, microfiche, and all these different things that were out there that every time Iron Mountain wanted to buy a container for something, it was a different container, a different shape, different size. And if you went into Iron Mountain at that time, you would have the most inefficient use of storage space as you could ever see. You know, they- it would be like looking at like, a go to a bar that's got a thousand different whiskey bottles of every different shape and size. There was a tremendous amount of wasted space, and that was Iron Mountain. You'd go in and it was just maybe 50% efficient for their space consumption.

So, we designed something that was all the same height and some similar dimensions on, on how to use these interchangeable trays that just became unbelievably space efficient. Iron Mountain liked the concept. We made some mistakes in the design stuff at first on the proposal that we went through and Iron Mountain ended up, you know, putting it kind of out to bid to a few other container manufacturers because they said, "Dave, we like you, but you've never manufactured a container in your life. You have no idea what you're talking about." I said, "Yeah, but I got the right idea. I've got the- here's how we're going to do it. I got the right... found the right source to manufacture the containers." And they ended up going with me. They took a risk and I spent every dime I had in my savings to come up with prototypes that cost a fortune at the time to show them how everything would work. And thanks to Harry and a few other people that were at Iron Mountain at the time and couple guys that are still there. They believed in me and, you know, it took a couple year- it took us a year to get the first ones made and then we came, and that was the midsize container. Then we did the larger container, then we did the small one, and at the end of it we had a system that was a...

Again, going back to the printing approach, it didn't matter what the material was, whether it was paper or metal or plastic, it was solving a problem. For them they had inefficient space. They had no standardization of security and safety and protection of the things. And we answered all of those things with three very simple containers that were interchangeable for whatever media you wanted in there. So, there was... we reduced the obsolescence, we improved the safety and security. We changed- after that, Russ Bassett, you know, with Joe Malerba, that's how Joe and I

met each other. We came, you know, like best friends because Joe's company at Russ Bassett there, they designed the racking around our container system. Then Iron Mountain was kind of changing the structure of their vaults around the new racking, and you walk into an Iron Mountain facility now and it is as densely packed out like it's a cinder block wall. You know, the overall impact for Iron Mountain was not only, you know, a better container system, but now they knew exactly how much space was.... you know, every cubic inch of storage space was allocated to every single customer because they knew the container shape and size, they knew how much space that consumed on the shelf. So, it changed their billing. It changed, you know, their efficiency, their everything. And as they're growing out around the world, we shipped those out around the world and it became, you know, we designed some great products for Google, for Apple, for IBM, Yahoo, and all the biggest cloud companies in the world that were backing up to tape. The vast majority of them were moving out their tape and our containers and our inserts and stuff.

So, but the... so the value there, Tom, to get back to your question, is that, you know, what the part they like to say is that Harry said something to me that he had a problem and he needed a solution. I almost disregarded it, but I thought about it. Well, because I was already in that mode of looking for something new to do that you'd never know when your customers or the people around you are offering an opportunity for you to be innovative and help them solve a problem. Now, we are just this week shutting down the XpresspaX Inc containers after 20 years of shipping them out around the world. It's very emotional end of life for... so for 20 years. Those things were a phenomenal piece of business for us. They shipped them out around the world. They've lived their life. They don't have the demand or needs that they do anymore. And so, it was off to the, you know, to the next innovation, the next business model, whatever that's going to be. But, you know, that came out of nothing. From having breakfast with Harry 22 years ago now and created something that absolutely changed that industry in in more ways than we ever expected.

TOM

Yeah. Well then let's... because that story really sets the framework for some of the questions I want to ask in the second part of this conversation, which is, you innovated and you've done it with other things and other ways, but to sort of give us time to actually dig into some of the principles behind what you've done, a lot of people talk about creativity and innovation, and you've already sort of pulled out some things already. Give me, in brief, some of the secrets or some of the ways you think about innovation. What's your process like? How do you go from the idea, and the idea was a problem that was presented, but there's a little bit of process between that and having a, you know, a case that's shipped across the country to every new facility. There's a process between knowing that Iron Mountain needs a barcode to it being in everybody's, you know, it's shipped and sitting on their desk. So, not- don't gimme a story. Give me your process. Give me a little bit of your process.

DAVID

Sure. Well, the couple of key components is, first of all I don't have anything to sell anybody. I don't have a warehouse that says, "Okay, I've got labels that I can use, and that's what I'm going to sell you. I didn't have the containers on a shelf. I... for a couple of other things, you know, like some shred consoles I've worked on or other packaging, I own no equipment. Like, I bought equipment to do certain things to fill the need, but I start with a very blank slate. I don't... I call it like an agnostic approach to it where I don't, when I start out on my part of the work, and I'll get to the customer's part of it and then my vendor side of it as well, is that I start out with a blank slate. I don't really care what the final product is going to look like or be made of. I'm going to start from scratch and say., "Okay, should it be plastic? Should it be fiberglass? Should it be metal? Should it be wood? Should it be carbon fiber? You know, what's the shape? What's the size, What's the final use? How do you assemble it?" I start with an absolute blank slate and go based on what the customer's input is going to be for how it's going to be used. But I source my manufacturing and supplies in a way that I'm like, okay, I really go with an open mind at first. So, I don't have any preconci- I can't say you don't have any preconceived, you got to know, okay, hey, it's got to be durable, it's got to be this, you know, you've got to have a general idea what the end result might be, but how you're going to get there, to me, is my little journey of doing my research and coming up with the best solution.

To be able to do that you got to have two other things besides me being, well say, for the sake of discussion, the innovator is having a customer who is very transparent and willing to discuss what the real issues are, what they want, what they don't want, and being open to the back and forth without being in an adversarial type of thing. A lot of customers want to be very protective. You need somebody who's going to, you'll be open and honest. Right? And then I take that saying back and forth with a customer when I try to find my vendor that I'm going to work with, partner, we'll say, right, because I'm going to be a partner with my customer, I really look for someone that's going to actually feed me and teach me. I didn't know anything about tooling for plastic containers. We ended up spending a million dollars for the tools for those containers. You know, we spent hundreds of thousand dollars on barcode equipment and stuff like that. So, but you've got to only... you can only do that if you've got vendors that actually love you and care about you as much as you do your customers. And so you can say, "Okay, well here's what I'm thinking", and then you're- so, we'll say for the plastics, they educated me like you would not believe. I mean, I know how tools are made, I know how they function. I know about the temperatures of plastics. I never do any of that stuff. They taught me everything, you know?

And then when I went to design other products, you know, and you... I have to go visit them. I can't sell, you know, Iron Mountain a container system or a barcode label system or, you know, Bank of America a system. Or these you know, these health care companies, I can't sell them any system sitting here like this like we do so much, but not like, that's part of my problem. Get in front of people. I do the same thing. I go to my sources and I sit there with them and I look at their equipment, I talk to them and I find out, "Okay, here's my design. My design is 90% good, you got to help me get it the final 10% so we can manufacture it perfectly." And what I do is I actually deliver what that I told that customer was going to do. Here's what you agreed to. Here's

what we committed to, and here it is, I deliver it. And you can only do that with a customer who's open/honest, but partners that are vendors that are pro suppliers, manufacturers that do that same thing.

So, that's what I look for. A customer that wants a real solution and a vendor that's willing to help educate me and help everybody win by making the best product that you make. That's really it. That's my process.

TOM

Good. Thank you. So, imagine I could... because this is called the Shred Coach, so, we've created a lot of context, but imagine I could... let's just imagine a small, what would be in many cases a mid-sized operator in the shredding industry. Let's say they've got seven mobile shred trucks, they've got a plant with a bailing system in it. And I could do what you just said there, is put you down in that situation. So, you've hands of feel. But the thing that they needed was to do it better. How would you go about thinking through how to be creative and innovate this thing? Because historically, a lot of people talk about innovation, but they don't really innovate. They just copy. Right?

DAVID

Right.

TOM

So, a lot of people you see are just copying what everybody else has done. So, again, I'm not suggesting there's a problem, but fundamentally we could improve something if we dove into that. So, how does an innovator like you go about that process? Like, what might you do in that situation?

DAVID

Well, the first thing is, you know, what I like to do, you can sit, you can talk with the variety of levels. If they're really interested in saying, "Hey, help us come up with something, help us fix... We don't know what it's going to be. Maybe it's the shoes we're wearing, maybe it's the trucks we're driving. You know, maybe it's our customers. Maybe all of our customers are wrong, whatever it might be." As long as they want to talk about something first and say, "Okay, what can we do to be more efficient or better? You know, have our customers love us more or make more money." Whatever the thing is, they've got to be willing to actually have the honest conversation amongst themselves and say, you know, whether that's a survey to their drivers, a survey to their customers, what do you like, what do you don't like? And then really sitting through and saying, "Okay, what problems do we have? Can we do a better job at something?" So, it's first, it's an honest conversation amongst themselves of saying, "Hey, we don't want to do it like this anymore." And then, you know, for me, it's sitting with them and saying, "Okay, well is it a product or a process?" I look at it both ways. You know, are you changing your operating process, or are you changing a product that actually, do you need new shred consoles? Do you

need a different lifting system for your trucks or different equipment or whatever it is, a different approach that would change the way you're going to be more effective, efficient.

So, I try to change- when I, when I'm working myself, you know, we've talked about this a little bit before. I take that consultive approach. I really want to be able to hopefully sell them a product, is really what my personal thing is if they need it. But I can consult and help them with the process too. But generally, the product, a new product is going to change the process. And you bring something, you know, to the table, say, "Okay, well yeah, as you work through it, you know, how much of an impact could this possibly have? So, it starts with a customer, you know, with a shred operator, really being honest with themselves internally. What could we do? What are we willing to do, and what would that look like? But if they're not really willing, like you say, some people think they're being innovative, but they're really not. And they say they want to be innovative, but when they get the opportunity to do so, they don't want to do anything different than what anybody else is. It's really a commitment within themselves first and talking to their customers and what are they willing to do? And if they can, if they're willing to have that conversation, you can always find something. There's something they can do better but they've got to be open and honest with themselves and with somebody like me coming in to talk to him,

TOM

So, from years of doing this if you are going to teach a short masterclass on innovation and creativity, what are a few simple instructions, and the point being that you don't get to play after you give the instructions, you don't get to create a product, you're out of... but I believe our industry, the shred industry right now, is ripe for innovation and for innovators to come in and do interesting things to change the nature of the industry. So, what advice might you give someone, but you can't play after the fact, you've got to exit, so you're just going to give three pieces of advice. What advice are you going to give someone to be a more effective innovator or creative in their business?

DAVID

As the shred operator or as somebody coming in like myself?

TOM

The operator. As the shred operator.

DAVID

Okay. As the shred operator, I think it starts with what I said a moment ago, which is that, to really do an honest assessment of your operation, your people, your products, your process, and really take a step back and... forget about what Iron Mountain or Shred-It, or Access or any of the majors are doing. You know, what can you do that's going to be better and unique where your customers, where you can expand the business and the value you're bringing to your customers and your employees? You know, what do your employees hate doing? Well, the trucks are doing this, or the customers have a problem with this, you know? So, it really just starts with an honest conversation and being willing to change. And if that's what the operator's

willing to do, and I've talked to some of those guys; there's a few great operators out there that, on a regular basis, try to think of something unique that they can do.

It all costs money. And that's the other thing is that generally the shred industry uses, you know, a lot of the least expensive methods of operation. They're tried and true, but you know, sometimes spending money in the near term is what you really have to commit to as well of saying, "Hey, down the road we will, you know, reap the profits and the rewards of taking a risk and improving something." And if you're not willing to do that, then that's not innovation. Right? And that's really what it is. It's a risk of opening yourself up and a risk of changing something for the better down the road.

TOM

Right. Okay. So, Clayton Christensen, who wrote the pretty famous book, The Innovators Dilemma, wrote something along these lines: Disruptive technologies typically enable new markets to emerge. And as you think about a shredder who's trying to be more creative, who really understands products or process. But it comes back to, again, that whole concept of somewhere in this, something disruptive has to happen. And that's the risk you're talking about. So, how might you respond to that particular line from Christensen and, in light of the secure destruction and shredding industry, what do you see in terms of, of disruptive technologies that might enable new market openings in this industry? What do you see related to that?

DAVID

Well, there's a few things are out there. I mean, you know, like routing technology is one of the ones that's, you know, been talked about for a few years and we had looked at that a number of years ago. You know, being able to tell how full is that console, you know, is it underutilized? Is it overutilized? You need different consoles, more consoles or bins or whatever it is, that technology, which is out there and has been tested and reviewed, I think is probably one of the most disruptive technologies there. Now, how does that open things up? Well, what it does is, you know, it can save you, you know, a ton of money with drivers going all over the place, either needlessly or customers getting upset because they're overfull and you're not there in a timely fashion. So, I think that's one of the best technologies that's available out there in shred currently that, what's it do, it opens up your very expensive resources; trucks, drivers, and time times money, you know, to be able to either expand your operation geographically or reduce the amount of trucks you have to have or let you buy another truck, right?

So, I think that there are technologies out there. The bin and console technology by itself, you know, products by themselves are, you know, are the things out there for these other products that are being recyclable: hard drives, the medical waste, all these things that there's stuff out there, but there's still, I think, a lot of hesitancy to spend the time and the money to really go after it.

I agree with it with the comment about the disruptive- now, I try to be a disruptor myself with the things I'm doing. So, I agree and what to do, it opens up for different ways to do it. I just think that the industry or the individual has to be more open to that disruptive technology of- and

because it all costs money. And when you're... when you're dealing with, you know, kind of the low end cost market of shred that you are, it's tough to be able to say, you know, you're going to spend more money. But trucks are expensive, employees are expensive. Losing a customer is expensive.

TOM

Yeah. So, as is always the case, it's a... there's opportunity but opportunity requires a commitment to it and then investment in it, some degree of risk. And a lot of times it's supported by vendors or people in the environment. And I think one of the things I've always appreciated about you is you have that ability to kind of come into a situation and think through the implications of all of those questions: What's the problem? Is this product focused or process focused? What kind of risk are we going to need to take? Who's going to have to take that? How do we construct a solution that ultimately creates the disruptive innovation, which you did with Iron Mountain, which you did both with the barcodes, with the cases and in many other situations. I mean, you've got patents to your name, so it's pretty cool stuff that you've done. So...

But I know we've gone way over on time, but I just, I find that your, you know, what you've done and how you've done it has been really helpful. So, any last words on creativity or innovation as it relates to how to do it? Any other thoughts that you have or lessons you've learned over the years?

DAVID

Well, I think the most important thing for me is having an open mind and ears when you're talking to people. You never know when those opportunities are going to be presented in a way. And there's a couple of other large projects I've worked on that I never thought I'd be able to come up with the right kind of solution. And once you dig in and it really comes down to the relationship you have with your customers or prospects, how much they think that you can, they can be open and honest with you and so that you're a trusted partner provider to them where they're going to... let's share, say, deep financial things, workers comp things that they'll, that... or issues that they're having, lost data, you know, if they're really willing to do that. So, for me, it's proving the value to your potential customer prospect of bringing, of that- you are trusted and if you come to them with a solution, they're going to sit and listen to you and not just fluff you off.

And then I, doing that to my... again, my vendors, my partners on the supply side, I try to treat them the same exact way that I want to be treated and build a long-lasting, valuable thing to the point where I bring them to- I'm the middle man, right? So, I have my customers meet with those people and I have to be able to trust that they're- nobody's going to try to, you know, go behind my back with, and they never have. So, it's really the value that you can bring by being open and honest with yourself. What am I capable of doing? Can I provide a solution to them? Are they willing to listen? And can you find a way to get that done? And I think that's where, you know, innovation, you can have a great mind, you can be an artist that way, but it really comes down to the relationships. And somebody helping you. Like, I didn't know how to do the plastic. I didn't

know how to do a couple of the other things I learned, but somebody told me and you see that there is a solution there and I can bring the things together and make it unique for me in my offering.

And I think. I think that's what it really comes down to. That's what's so hard today, quite honestly, getting in front of people, as we've talked about this before, about how do you actually get in front of someone to build that trust? Like doing it over screen is hard to do, so it's really, it's getting- it's the relationship where you're in front of somebody and they have a problem. They want to talk about it just like in life. And they want to tell you, "I don't want this problem in my life anymore. Can you solve it for me?" And that's, that's really where, that's where...

TOM

That's where innovation happens.

DAVID

What I seek. Yeah. Right there.

TOM

Very cool. Well, man, it's been great talking to you. Thanks for sharing your story. Thanks for sharing your insight and wisdom. And I hope that if someone listening, if you're listening to this and you need a bit of assist with innovation or creativity, I know David, you're always willing to talk to people and we'll make sure that links to your site are in the show notes. So, thanks for being a part of this and really appreciate you being here.

DAVID

Thanks, Tom. Always great to talk with you. Have a great day. Take care.