

The SPEAR with Jonas Rice
The Shred Coach Podcast Transcript

TOM

Jonas Rice. Welcome to The Shred Coach Podcast. I'm glad you're here. How are you today?

JONAS

Doing great. Thanks for having me.

TOM

Yeah, it's really good to have you here. So, let me get some of the details about your shredding business. Tell me where you are, what's your service area, a little bit about the history of your shred business, and then we'll dig in a little deeper.

JONAS

Okay. So, we are located in Eastern Tennessee, and based out of our physical address is Lenoir City, Tennessee, which most people I'm sure have not heard of that aren't from around here, but really, it's Knoxville, Tennessee. So, that's our base. That's where our office is. And our geographical kind of footprint goes up into what we call the Tri-Cities Northeast Tennessee, which is Bristol, Johnson City, Kingsport, a little bit into Southwest Virginia, and then points in between there and then down to the Southwest into Chattanooga, Tennessee and points in between Knoxville and Chattanooga. So, pretty good size territory and a lot of opportunity and business within that footprint.

TOM

Good. Are you mobile? Are you plant? Are you a combination of the above?

JONAS

We're strictly on-site. So, that's all we do. We don't have any plant-based operations.

TOM

And how many trucks roughly are you running on a given day?

JONAS

Four trucks typically are running every day.

TOM

Okay. And are you, do you have related services? Are you doing ancillary things like hard drive, recycling, record storage, any of the traditional ancillary things?

JONAS

We don't do any record storage. However, we do do a fair amount of hard drive destruction. We did have a mobile unit at one time; however, we've recently purchased a more of a plant based, kind of heavier duty hard drive destruction machine. We're thinking about maybe we can, we might put it on a box truck at some point, have it mobile, but right now it's here in our warehouse. We do a lot of, of course, healthcare hospital work. So, we get some pretty big hard drive jobs fairly regularly. So, we use that.

TOM

Nice. Nice. And when you're staffed at optimal capacity, what, how many people on your team?

JONAS

We've got seven folks here, so we're relatively small. We've got, the folks that are here with us, they've been with us for quite some time. And they actually, prior to ShredPro were in the industry. So, I think we're pretty efficient. We can do quite a bit of work with the team we have, although we are looking to add to our staff here in the near future.

TOM

Alright. So, as you know, the focus of our podcast is, you know, a strategy a tactic, a mechanism, a tool, a resource, could be operational, could be sales. I don't know what it could be, but, you know, I asked you on because you've obviously been in the business for a while and I'm interested in what you're doing or what you've implemented recently or in the last number of years that might be of interest to the rest of the industry.

JONAS

Sure. I'm going to ask you a kind of a question here might throw you off a little bit, but just a little fun question to see if you can answer it. And this will kind of lead me into some things about our company. So, what was the most deadly and effective weapon used in ancient and medieval combat if you had to guess?

TOM

The most dangerous weapon in historical combat.

JONAS

Deadly and effective in ancient combat, what would you...?

TOM

A sword?

JONAS

No.

TOM

A cannon?

JONAS

You're close.

TOM

...cannon. Okay. Yeah.

JONAS

All right, I'll give you the answer. It was a spear.

TOM

Okay.

JONAS

So, a spear, you know, you could throw it at your enemy from a great distance. You could stab your enemy when they're close but not too close to stab you. You could slash your enemy. You could, you know, swipe them with it. So, I know that seems kind of strange while I'm asking you this, but that's actually an acronym that we use here at ShredPro that kind of outlines some tenants we operate by in order to slay our competition. So, we use the acronym SPEAR. And some of this is probably not ground-breaking, but you know, I think, over the course, we've been in business since 2011 and have, you know, trial and error of course learned things the hard way and have implemented these things to really, I think, put us ahead of several of our competitors. But, again, using the acronym SPEAR, I'll kind of go through that.

So, number one of course is security, right? First and foremost, we're an information security firm, right? And I think, and we stress this, we can never get complacent with what we're doing every day, and it's easy to do that. You know, certainly we're running routes every day. You're kind of going through the motions. But, you know, the moment that we get complacent or lazy or not do the things that we need to do each and every stop, something bad's going to happen. So, you know, we make that a priority to always keep that top of mind.

And how do we do that? Right. So, a few of the things we do, we have ongoing training for our staff, for our CSRs. And we might have, for instance, once a month we will use the iSIGMA information disposition textbook, pick out some topics that, you know, are a little bit more in depth and spend 30 minutes kind of going over some things within there to broaden the knowledge base of what they need to be looking for, on the lookout for. Another thing we do, we talk about real life situations; you know, as we're out each day things happen, situations occur that are out of the norm. And so how do we respond to these things? And what's the best way to respond? So, having that real life situation, if one of our guys runs into that he comes back and we talk about it and try to help, you know, if that happens again, we're aware and ready for it. We review current events. I mean, every day, as you know, there are data breaches being

reported. Now, many of those are electronic data breaches that really are a kind of outside our realm, but there are also plenty of breaches with physical material. So, whenever there's a headline there, we'll bring that in.

So again, that all, talking about that and constantly trying to learn about how things happen the different ways and what we can do to prevent those is very important. So, that's the security aspect.

TOM

Can I jump in because- I don't like to interrupt you, but there's a whole bunch of things there that you said that are intriguing to me. So, it sounds like as part of this security focus, which is part of your SPEAR, there's an ongoing training. Like, is that a monthly thing you do? Is that a weekly? How do you actually integrate that?

JONAS

Typically, it's once a month, you know, because at the same time we don't want to have it where it becomes more of a chore, so to speak and, you know, they're dreading it. We don't want it to be where we're just beating down and they're not going to listen, you know? We want to keep it somewhat light, but at the same time make sure that we are getting some important information from these little discussions. But yeah, usually once a month.

TOM

And is that like an all hands, like everyone on the team is all part of those meetings?

JONAS

That's correct, yep.

TOM

Okay. Cool. All right. Sorry to bother you. But that was a really helpful, it just helps because it's, really practical then. You're teaching security on a monthly basis. You're ensuring your team is completely up to date on the priority, that critical priority.

So, alright. Let's hit P. What's P?

JONAS

All right, P. P is professionalism.

TOM

Hmm.

JONAS

And what do I mean by professionalism? That could have several different meanings... but really a number of things. So, for instance, when we do hire a new CSR, a new representative, how we onboard that person, the training that we implement. We have extensive checklists that we use to, number one, make sure that they understand, you know, all the responsibilities within the job and that we are, you know, we're giving them the complete training each and every time. And it's consistent regardless of, you know, if it's one person or 20 people, they're going to get the same information presented the same way and we're going to make sure that we have hit each and every point to give them all the tools they need to be professional at their job. So, that's very important.

And with that, of course, we have ride-alongs that, when somebody's new, you know, they're going to ride with an existing employee for quite some time before they're turned loose and kind of set up on their own route. Because, you know, we want them to make sure and have a clear understanding of what they're doing. And that reflects on us. And again, that goes back to a professional employee.

So, that's one thing. Other things would include being NAID certified or having that iSIGMA designation I think is very important. Of course, many people do have that, but there are those that don't. But I think if, you know, if you're not, if you're in this business and you're not NAID certified, then- that's really something every company should do. That is the first and foremost thing I think that establishes you as a professional in this field.

TOM

Well, and it also ties back into the first piece of the SPEAR, which is security, because it's the mechanism that ensures you have an integrity about that security.

JONAS

Exactly, that's right.

TOM

Yeah. Really good.

JONAS

Another example is the downstream data, that we maintain that certification. We, you know, over and above, I think that what we need to do, but we what we choose to carry that, to protect our clients that much more. So, it's just another level of how we show our professionalism.

These are simple things, but again, I think they're important. Our uniforms, what our uniforms look like. They're consistent, everyone matches, everyone looks the same. Our trucks are cleaned, you know, we clean our trucks regularly, have them washed; our equipment is always in good working order. And I think our general appearance of our personnel and our vehicles always, you know, look good or they better look good. That's just one thing that, you know, is

important because as you know, that first impression is so important. And we think, you know, when you look professional that goes a long way towards acting professional, so that...

TOM

Yeah, so, what I hear you saying, just so I'm clear on it, it's is you started with the training you do with your people, right? So, your people are delivering a professional approach to whatever role they're in, the way they dress, the way they act, the way they're trained, they're understanding of the industry, which then becomes also the professionalism of the corporate entity that is in front of the public, the brand essentially displays professionally. Is that what you were- did I restate that?

JONAS

Yeah, absolutely. And you brought up a good word. You know, the brand. ShredPro, our brand is extremely important to us. You know, our logo is trademarked, so is our name. And that's why, because we feel that's, you know, that is so important and we want to protect that. And when we show up and people see the name ShredPro, yeah, they know it's a great company.

TOM

Nice. So, we've got security. We've got professionalism. Let's jump to the E.

JONAS

All right. E. So, E and I think this is a big one. We are very easy to do business with,

TOM

Mm. Yeah.

JONAS

Many times, especially with, with the bigger companies, and this is true in most industries, there's so much, so many layers you have to go through. There's so much minutia to get to what you want. And we pride ourselves in being very easy to do business with.

So, what are some examples of that? Number one, you know, are agreements that we have, our service agreements. They're one-page agreements, you know, you can very easily see what we're charging, how often when we're going to be there. And, you know, we don't need all the legalese. We just- and I understand the need for some of that, but we just choose to use a minimal amount and have a one-page agreement and move on.

Now along with that, we use electronic documents. So, all of our documents are electronic and this is another big, big thing, I think. You know, obviously the service agreement is electronic, but our proposals are electronic and we have what we call customer information sheet. So, when somebody chooses to do business with us, you know, we'll send this out. It allows us to basically set up their client record in our system. So, they're just putting in basic information. But again, that's all done electronically too, as well. So, you you've got three documents, that we can easily send to you in just minutes, you can review them very quickly, you can sign them, zap 'em back,

you're done. And, you know, I think, we get a lot of business because, you know, today there's so much, so much is done via texting or, you know, electronically. People really don't want to talk a lot on the phone or you to come out and, you know, have a sales call, quote unquote, for the most part. Now there's some bigger accounts that take a longer cycle, but on average, a typical account, they want to call, they want to get their information quickly. They want to know, you know, what's my price going to be? How do you operate? What do I need to do to get the service?

And, you know, nine times out of 10, we respond when we get a lead in, and this is not an exaggeration, when we get a lead in online, we are in contact with that lead within probably five minutes, we're calling that person. And we get so many times when we call them they're just, you know, they're really surprised because they're like, "Wow, I just sent the, you know, I just sent the request in and you're already calling." And so, I think, when you get that information to the prospect that quickly, and it's so easy, then we capture, we probably close 90% of that business. And, you know, the big companies, the big guys just can't do that. So, that's huge for us. We're very easy to do business with.

And then another aspect of that is, you know, we're local, we're locally owned; when you call us, you talk to a real person that's empowered to help you and answer your questions right then and there. So... and we're very flexible. We tell people, you know, sometimes people don't know exactly what they need or want and we can make recommendations. And we tell them, we say, "Look, if this doesn't work, just call us. We can change it. We can change the frequency. We can change the containers. It's not a problem." And I think, you know, again, that's easy for them. We don't want to make it any more difficult for them. So, I believe that really separates us from a lot of our competition.

TOM

Yeah. that's really good. Really good. Alright, so let's jump to the A. So, we've got, security, professionalism, easy, and A.

JONAS

A, that's accountability. And that's more of a, of course, an internal accountability, but... So, how do we define that? Each of us, including myself, we've got clear and defined job descriptions which outline everybody, you know, each of our roles and responsibilities. And that kind of goes back to too, to the onboarding and training, of our people. But, you know, when somebody comes in, if they're not quite sure what their job role is, it's hard to be accountable. So, we make sure that we lay out the task and the responsibilities for each position within the company and then we hold them to, and again, including myself, to that accountability.

We also help one another when needed. You know, nobody including myself is too good to do anyone else's job. And as I told you before earlier, I was on a truck last week and I'll go, I'll be on a truck again and I'm happy to do it. You know, we're going to do whatever it takes to get the job done for our customers. And it also makes for a much better working environment for everybody because, you know, we all have one another's backs and things happen and, you

know, it can be tough at times in the business, you have a truck go down or somebody out. I mean, you know, it is nice to know that your coworkers will be there for you and, you know, support you or support the company and it gets the job done. So, that's very important, accountability.

TOM

And that, I think, speaks to some of the other stuff you've already done, because accountability ensures the ease of activity for your clients, because if everybody's clear on the jobs that everybody's doing and how they do them, it allows your work to be easier and the delivery to be easier with your clients. Undoubtedly.

JONAS

Yes, that's correct.

TOM

Yeah. That's great. Okay. So, let's jump to R then. So, what's the final part of the SPEAR?

JONAS

Lastly, R is responsiveness and reliability. You know, it seems like we hear it more and more again with some of the bigger companies out there these days that, you call in, you call and you need a schedule change or you have a question on an invoice and you wait for a call back and it doesn't come. And then you're expecting service and nobody shows up or they show up two weeks late, which is amazing to me. I can't fathom that, but that does happen out there. But we are extremely responsive. And that goes back to what I said earlier. You know, we're easy to do business with; when you call us, you're talking to us, you're talking to me, you're talking to somebody in the office that is going to answer your question then and there. Or if they don't know the answer, we'll call you back that day or get you what you need.

Reliability. I think that's... I almost think sometimes I wonder if we're too reliable because, you know, I say that jokingly, but I've been on a route before and, you know, I show up on somebody's route. And they're asking me, "Well, you're usually here at, you know, 10:30 every morning, you know, every Tuesday. You're 15 minutes late. We were wondering. And where's our regular guy?" So, you know, we're just very consistent and reliable. So, we do, you know, whatever it takes to make sure that the schedules that our clients have are maintained and always adhered to.

So, I think that's another huge, I guess, benefit of what we can offer. It's, you know, there's a lot, seems like a lot of inconsistency with the bigger companies out there just struggling to have responsive and reliable service. So, we put a lot of focus on that.

TOM

So, I think the actual concept of a SPEAR and the actual elements, which I think you've described really nicely... let me go a little bit meta on it, which is stand above this and go, is this sort of a, like, do you use SPEAR in your training sessions, is SPEAR on your door? How do

you take these five critical, they feel like philosophies or values that you have, and how do you deliver those in a way that makes them part of what you said as part of who you guys are?

JONAS

Well, we talk about it a lot. You know, within our monthly meetings and we also have some signage up around that goes along with our- we have another, I guess, tagline that's a trademark tagline. But it's, "Security, Value, Peace of Mind". That's what ShredPro is as well.

And I make it a point to talk about it quite often. And when I see an example of something that follows SPEAR, I'll bring it up and, you know, just try to make it part of our culture and where it's ingrained in all our people. So...

TOM

So, when a concept like this is implemented and you deliver it, you make it a part of your culture, how then do you define the ROI of thinking like this? And how do you see as an owner who's been in this business, you know, more than 10 years, how do you see the impact of an acronym like SPEAR and the delivery of that? How do you see it impacting your team overall? Like, what's the impact of SPEAR?

Because, you know, we might talk to another number of people who may believe the values but they don't discuss them like you do. Right? They may believe in security and having a professional, they might want to be easy to do business with, they ensure accountability, but they don't sort of bring that together into a digestible mechanism to deliver it as a training, as a... so, how have you seen the impact on your team over the years by using this acronym?

JONAS

I think it, you know, it normalizes operations. I think it gives a consistency. You know, we don't- of course we have surprises and things come up, problems come up. But for the most part, you know, SPEAR addresses a lot of potential issues and, you know, problems with operations and customers. And I think that they appreciate the regularity, I guess, of, and the consistency that this brings to ShredPro. Because it's, again, nobody likes, you know, problems or surprises and not that this is the, certainly not the cure all. But when you're following these tenants it certainly helps, you know, smooth out the daily business operations and makes for a good operation, I believe.

TOM

Yeah. And, you know, as I'm looking at these five, I just had a thought. One is that SPEAR actually delivers on, it supports your accountability item, right? Because when you make it real and overt in a, you know, in a term that you use on a regular basis, then you're accountable against a specific set of criteria. It's not just a philosophy in your head. It's now placed out there in a way. And it becomes part of the brand, in a way, because now you're delivering against that promise that you make internally and external.

JONAS

That's right. And you make a good point, you know, there's concrete things in here that we use. Be it a, you know, a checklist, be it our electronic agreements, be it when you call you talk to somebody. So, while it's, you could look at a philosophy, like you say, or a general operating philosophy, which it somewhat, it is in a way, but at the same time... Yeah, these are concrete things that we're doing that's making our company I think better overall.

TOM

Yeah. Yeah, no, it's really good. Really good, Jonas. So, I appreciate you sharing this and I appreciate how you've constructed this. And, related then, I did some digging. I did a little digging into your history and I discovered that for many years you were a banker. And so, I guess what intrigues me is, and because I never know what's coming on these conversations, how did your banking background impact, you know, how you run and operate ShredPro? But then also, did it impact the SPEAR that you've created? And I realize there's a lot of question there, and this is the end of our conversation, but there may be a nugget or two in there that I'm interested in hearing.

JONAS

Well, I've got a funny story. So yes, I was a banker commercial banker for lots of years and, you know, I banked a multitude of operating companies. So, I saw all kinds of way people made money, you know, craziest ways. But how I got involved in the shredding business, my partner here in ShredPro at one time was a Shred-It franchisee, way back. And he, I still remember him coming to me when he first got started. And this is when shredding was initially getting going, you know, it was a new concept, protecting people's information. And he needed a truck. And so, he came to me to finance the truck and explained to me the shredding concept.

And I'll still remember, I was looking at him and I'm thinking to myself, "Okay, you're going to put these dumb little boxes around in all these places, you're going to charge whatever he charged and drive around and tear up their paper. And this is your business model?" And I ended up- so, that shows you how good a banker I was because, it turned out, you know, I'm, questioning it and he turned out to be one of the best companies in my portfolio in terms of profitability and annuitized income, et cetera, et cetera. But I still laugh at that. So, that's how I got into the world of shredding many years later. I mean, here I am, but that's how we initially met.

But you know, I think, now what do I bring? I just, I think bringing, you know, seeing- coming from a very corporate side, seeing and working with a lot of larger corporations to a small company that I'm doing, you know, I can do any job in any day. I mean, I might be on a truck or I might be talking to an accountant about our books or, you know? That was a big, I guess, change for me that I had to kind of get used to because I was from the corporate world. And I think that gave me some, maybe some good perspective that I wouldn't otherwise have just to see also how many, you know, a lot of how other businesses operate and the types of people that,

you know, run the businesses, kind of what they brought to the table and the good and bad things that you need to look out for in a business.

You know, for instance, growing too fast is not always a good thing when you're just blowing and going, and that can lead to some issues. But I think it just gave me some, in general, some good tools to that I wouldn't otherwise have had not being in that position.

TOM

That's really... I always find it interesting when we look at our history and we go, "You know, I had that period of time where I was doing this, and now I'm doing this." And there's a lot of interesting benefit that comes from that perspective that we brought into these businesses that shapes what we're doing today.

And so, I just want to thank you for sharing the SPEAR concept as a way to slay a competitor. And I think what I see is not just the five points of it, but the layers of benefit that that has given you and your company over the years. And I really appreciate you sharing it with us and appreciate the time and perspective you've given us today, Jonas. Thank you.

JONAS

Thank you very much. Enjoyed being here.