

# Recycling more successfully with an integrated system

With the increasing complexity in waste management, traditional business software quickly comes to reach its limits. A company specialised in the nationwide collection and recycling of car repair shop wastes is now switching to a system that provides more efficiency, more processing flexibility and more leeway for the acquisition of new customers. Disposing waste from car repair shops requires complex logistics. Moreover, being able to react flexibly is important with regard to a high customer satisfaction.

For example, the medium-sized KS-Recycling Group in Sonsbeck at Niederrhein has been offering a comprehensive service for all areas of workshop waste disposal for decades. The basis for their business is formed by a modern plant for recycling various waste fractions originating from different types of repair shops. In order to support the continuous growth the company decided in 2007 to implement a new business software.

## The Company

KS-Recycling is a typical medium-sized, family-owned recycling company. Founded in 1965 by Kurt and Maria Schmidt, the business focused right from the beginning on the collection of oil residues and waste oil emulsions. Today, the company is divided into two business areas:

- In Sonsbeck, the KS-Recycling GmbH & Co. KG runs a plant for the refinement and distillation of oils, brake and cooling fluids and solvent mixtures as well as for shredding oil filters and synthetic materials.
- With about 50 special-purpose vehicles, like vacuum suction vehicles, multiple-compartment tank lorries, plan vehicles and box waggons, KS-Logistik especially collects hazardous wastes at car repair shops, but also at industrial plants and handicraft businesses.

## Business Activities

The main business activity of KSR is the collection and recycling of oil residues originating from different sources, for example waste oil and oil filters, equipment soiled by oil as well as machine oils from industrial plants and transformer oils. Moreover, KSR takes care of other problematic wastes in repair shops like airbags, lead-acid batteries, aerosol cans and synthetic materials. Oil residues, oil emulsive wastes as well as brake and cooling fluids are refined in the distillation plant in Sonsbeck, which was founded in 1995, and turned into products like basic, heating and flux oils, MEG (mono ethylene glycol) and brake fluid (DOT4) – valuable materials for the chemical industry. Thus, the KS-Recycling

Groups is legally liable to two regimes which are generally problematic for the recycling industry:

- The input mainly consists of hazardous wastes which are liable to the mandatory verification procedure of waste legislation.
- The product output is liable to the REACH regulation. Therefore, KSR has pre-registered all products.

## Logistical Challenges

“As a medium-sized company we can only expand if we are better than our competition and offer a better service. Customer orientation and flexibility are our unique selling propositions”, emphasises Andreas Lanik, head of sales at KSR. This ambition is based on a distinct promise the company makes towards its customers: Every order, regardless if it deals with 200 litres or 20 tonnes of waste oil, will be completed within a maximum period of 5 days. What appears to be slow to a layman, is actually an industry novelty since appropriate collection rounds have to be found first especially with regard to smaller loads. “Moreover, we offer the whole nationwide recycling service one-stop, including all necessary documents – regardless if our customer is the gas station around the corner or one of the large car repair shops”, adds Andreas Lanik. With this promise, KSR has become one of the largest workshop waste management companies in Germany.

## Outdated Software Structures

The company's growth, the increasing need for information, the demand for flexibility and documentation requirements soon disclosed the limitations of the existing waste management software. Thus, various Excel files for special tasks were introduced at KSR in addition to the accounting software and the separate waste management software. As a result, the employees entered the same data in a multitude of files which limited the possibilities for prompt evaluations. Especially with regard to invoicing, high optimisation requirements were revealed since much order data had to be retrieved laboriously from different areas.

## Deciding for a New Software

Therefore, KSR had already been thinking about replacing the existing software through a new integrated system for years. "However, we had initiated so many other business development projects and did not want to have several things on the go at once", says CEO Bernd Dorlöchter, explaining the delayed realisation of the project. Finally, the support of Prof. Dr. Horst Junker from IMBC GmbH in Berlin was gained. Together, the existing software environment and the processes were investigated and a specification sheet for the new software was created. After completing the selection process, the industry software (envis) developed by tegos GmbH Dortmund was determined as the winner. "The decisive factors for us were the user-friendliness of the software, the industry know-how of tegos and the sustainability of the solution", explains Sebastian Henning, IT manager at KSR. "We wanted to get away from isolated applications, towards one shared data basis in the company and an end-to-end process from laboratory to invoicing – and in this regard, tegos has offered the best tool", Bernd Dorlöchter further explains.

## Data Processing Related Obstacles

The crux of the requirements was the efficient processing of the repair shop recycling including concept recycling. The waste disposal in car repair shops is complicated because these shops are bound to the different disposal concepts of car manufacturers and other suppliers. Due to this constellation, the price is not definite for the same waste at the same point of

origin, and the invoice recipient is not determined. Moreover, there is the question of whether the waste is a waste or rather a potential recyclable – so, is it an invoice or a credit memo that has to be created in the IT system? The price for a fraction primarily depends on the relevant concept, for example that of VW, BMW, Ford, Mercedes-Benz, Opel, Deutsche Total, Deutsche Bahn or a system waste disposal contractor taking care of the disposal. Secondly, the price also depends on the chemical and physical composition that is identified by KSR in the laboratory. A further aspect is the current market situation.

The concept also determines the invoice recipient. The invoice can be addressed to one of the five concept partners with whom the repair shop possibly cooperates, but can also be sent to the shop itself if the order deals with a "free quantity" that is not bound to a certain concept. In extremes, approaching a point of origin with a multiple compartment vehicle can lead to half a dozen different invoices and credit memos which have to be addressed to different recipients. Therefore, an extreme flexibility is required from the business software at this point since it has to cover the complicated price and record model in a comfortable way. In addition, the software is also supposed to produce the right dock receipts and delivery notes, of course. Moreover, it has to be able to merge the data again since the individual repair shop as well as the large concept partners have to demonstrate the waste flows, whereas KSR has to provide the necessary data. This is part of the service offer of KSR and naturally requested by large and small customers. "Thus, we need a reliable, neat and traceable data basis in order to fulfill customer requirements and expect a considerable simplification of the invoicing procedure, once the whole process, starting with the order entry including all prices and the laboratory results, is enclosed in one system", Dorlöchter concludes.

## Go Live Until Year End

After its go live at KSR in December, the complete system implemented by tegos offers a practicable solution for the business mastering all the challenges mentioned above. Since the beginning of 2009, the

book-keeping has been run with the new Microsoft Dynamics which provides the commercial basis for enwis). Previous experiences make KSR confident that the new software will meet all requirements. "The old system was simply set up in the past without checking if it fits to our processes. With tegos, we went the reversed way. We defined our processes first and then chose an appropriate complete solution. Moreover, challenges which occurred during the project were solved very efficiently and quickly", IT manager Sebastian Henning summarises the previous course of the project.

#### **About tegos GmbH Dortmund**

tegos was founded in Dortmund in 1996 and has become an internationally leading developer of integrated business software for the recycling and waste management industry. The company's sectoral solutions are based on Microsoft Dynamics NAV and are successfully used in all sectors of the waste industry worldwide. The international partner network of tegos currently serves 160 companies in Europe, North America and Australia.

#### **About enwis)<sup>®</sup>**

**enwis)** is the sectoral business software for the recycling and waste management industry developed by tegos and was the first solution worldwide which gained the title "Certified for Microsoft Dynamics NAV", confirming its high quality and customer satisfaction. On the market, **enwis)** is the only completely integrated solution for the recycling and waste management industry and covers all business processes within the standard application. Furthermore, the cooperation with Microsoft provides the best possible protection of the customer's investments.

