

PROVIDENCE BUSINESS NEWS

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Spinning gold (and other precious metals) from no-longer-useful products



Green Manufacturing Excellence

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Gannon & Scott Inc.'s business strategy can be summed up in two words: green growth.

Over the past 15 years, the precious metal recycler has expanded to two states, significantly grown its customer base and adopted a number of initiatives to make its operations more environmentally friendly. Most recently, Gannon & Scott opened a new \$8 million facility that will double the company's processing capacity.

"Our approach is to go from being a local and regional service provider to being one of national and international capability," said John King, Gannon & Scott's chief financial officer. "Many large companies can now take advantage that we are bicoastal, can operate on a large scale and operate in an environmentally compliant fashion."

Indeed, the refiner has come a long way since its inception in 1919. The family-owned, Rhode Island-based business initially catered mainly to the jewelry industry, harvesting precious metals like silver, gold and platinum from industrial waste materials. But in recent years, the company has focused on scaling up its operations – and its customer base.

In 2001, Gannon & Scott acquired a 42,000-square-foot refining facility in Phoenix, with the extra space and processing power allowing the company to expand beyond its traditional customer base. According to Dave Deuel, Gannon & Scott's senior vice president of administration, the company now receives industrial material from equipment manufacturers from the automotive, medical, glass and computer industries; electronic wholesalers; jewelry manufacturers; other refiners; and more. After pulling out the precious metals contained within the industrial waste, the company harvests other metals, including copper and nickel, and sells them to primary refiners, or smelters. Any additional waste materials are compressed down and reused as filler for construction materials, roadways and other purposes.

"Everything gets reused in some way," said Joe Peixoto, plant manager at Gannon & Scott. "We're processing 100 percent of their material."

After success with the Arizona plant, Gannon & Scott again set



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CLEANING UP: Gannon & Scott is finding that its environmentally oriented business practices are in line with many industries, and support its growth plans. Pictured above at the company's new \$8 million processing facility in Cranston are, from left, company Executive Vice President and Chief Financial Officer John King, plant manager Brian Walker, President John Gannon and Engineering & Compliance Manager Matthew Fischer.

its sights on expansion. After five years of planning, the company just opened the doors of its second Rhode Island location, an \$8 million, 93,000-square-foot facility in Cranston. Leaders say the expansion will increase the company's workforce by about 20 percent and double its processing capacity.

"We've expanded our capabilities, which allows us to do more business," said Ken Dionne, Gannon & Scott's CEO.

The company's leaders have specific requirements, though, in how they aim to do that additional business. Gannon & Scott's motto is "Doing it Right" – and that means doing it green.

Staff members are quick to point out that Gannon & Scott's entire business model is built on an environmentally friendly premise. "Our whole service is recycling and reclaiming," said King. Over the past three years – even before the launch of the new Cranston facility – the precious metals refiner diverted more than 7.5 million pounds of waste from landfills.

The green commitments do not end there. The company invested in high-tech pollution-control

technologies at both its Arizona and Cranston facilities. According to Peixoto, these pollution controls result in a zero-discharge process. So while the plants rely on thermal reduction – a fancy phrase for burning – to reclaim precious metals from industrial materials, all of the emissions generated during the process are captured and eliminated.

The company is also beginning to invest in renewable energy. The new Cranston plant features

a \$1 million solar array – a set of roughly 1,200 solar panels spanning one acre of the facility's rooftop. The panels produce 406 kilowatts of electricity, enough to power about 50 houses for an entire year. While Gannon & Scott won't use this solar power to fuel its own operations, it

will sell it back to the grid to help provide clean power to the local community.

"Our company is focused on doing it green and doing it right," said King. "We try to be conscious about our technologies."

These green initiatives inevitably create environmental benefits – such as curbing air pollution and combating climate change. But leaders at Gannon & Scott are also finding that their environ-

mentally minded practices benefit their own bottom line.

For example, the company plans to sell the solar power it produces back to the grid at a guaranteed rate for at least the next 15 years. This contract allows the company to offset its costs while generating "clean" energy for the local community.

Some customers are also seeking out Gannon & Scott's services because of the company's commitment to environmental stewardship.

"Initially it's a tough sell, because [investing in green technologies] does cost a little bit more to operate, so we need to charge a little bit more to our customers," said Dionne. "But when you explain the difference and larger corporations understand what that means, they're willing to pay the small amount of extra fees."

"Many corporations now have their own standards for green," said King. "Our practices fit in with a lot of the evolving corporate standards outside of our industry."

With three facilities under its belt, leadership at Gannon & Scott is now focusing on keeping the company moving forward.

"We're continuing to expand our customer base, and we need to fill our new facility up and keep it going well," said Peixoto. "And we'll constantly continue to expand upon that." ■

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JOHN KING

Gannon & Scott
chief financial officer