

# The art of recycling: Building a sustainable and responsible business



Raed Bechara is helping to save the planet— one industrial pallet at a time. His Laval, Quebec, company, Industrie de Palettes Standard (IPS), has turned recycling into a fine art. It repairs used wooden pallets and sells them to businesses, saving 50,000 trees a year by Bechara’s estimate.

Bechara’s environmentally friendly business has earned him a major prize for sustainable development and led to rapid growth at his company. However, Bechara hasn’t forgotten his roots as an immigrant from Syria. Last year, he hired 15 Syrian refugees and arranged for them to learn French during paid work time.

## Here’s what Raed Bechara had to say:

### On first arriving in Canada...

I came to Quebec from Syria in 1987 when I was 16. It was hard to leave everything behind. I didn’t know any French or English. I didn’t have friends here. But my parents wanted me and my two younger sisters to have a better life.

At our company, we gave jobs to 15 Syrian refugees last year and arranged for them to have French courses in our facility during paid work time. I didn't want them to live through what we went through when we moved to Canada. I wanted them to have good jobs and to know French.

We didn't have a lot when we arrived. My father took three jobs to support us. I was able to go to university, where I studied biochemistry. I wanted to become a pharmacist.

### **On how he joined his company...**

At the time, I was working part time in customer service for Industrie de Palettes Standard. It was a small company that recycled used pallets— 3,000 per week.

At some point, the company went bankrupt, and I bought it for a small amount. I was a student and hardly had any money of my own, but I was able to raise it from friends and family. The company had some accounts receivable, so I was able to bring it out of bankruptcy and sell it not long after with enough profit to pay off my student loan.

Afterwards, I kept working at IPS part time until I finished my bachelor's degree in biochemistry. When I graduated, I started looking for a job in my field. I told IPS I was going to leave, but the man who had bought the company said he wanted me to stay on. He offered me shares in the company.



### **On taking ownership of the business...**

I saw it had potential that hadn't been exploited. I had an entrepreneurial spirit, so I agreed. I obtained 24% of the company, and that was the end of my efforts to become a pharmacist.

We were selling barely half of the pallets we took in. The rest were in too poor condition to be repaired or were a size we couldn't sell. Instead, they went to the landfill or for incineration.

The environment has always been very important to me. I had a professor who always told us that recycling was the industry of the future. I thought we could find ways to recycle more pallets.

In 2007, my partner passed away. I bought his shares from the estate and became the company's sole owner.

## **On evolving what they do...**

As the business grew, it became more than just repairing and reselling pallets. Instead, we evolved into offering integrated pallet management services. The diversity of our business activities is what made us strong as a company.

Most of our clients use large quantities of pallets every day. We may deliver a bunch of recycled pallets and then pick up their broken and damaged pallets to bring back to our facility for repairs.

We've added more and more services. For example, some businesses—suppliers and distributors—have pallets they don't need. We buy and sell them.

We also have clients who ask us to warehouse their pallets—say 20,000 or 25,000 of them—until they're needed. We pick them up, inspect and repair them, and then warehouse them until they're needed again.

As we've grown, we have also pushed recycling to the extreme. In 2009, I invested \$450,000 to acquire a shredder. This machine allows us to shred the pallets we can't repair and sell the wood chips and residue. Our shredder also separates out the nails, which we sell for the metal. Every time we sell our wood chips, we save a tree.

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**I believe if *you can help*, you should do so.**

Raed Bechara

Chief Executive Officer, Industries de Palettes Standard

## **On growing the business...**

When the financial crisis hit, we were able to grow because our recycled pallets are 30 to 50% cheaper than new pallets, and companies were looking everywhere for ways to cut costs.

Two years ago, I made a \$7 million investment in a larger facility. Now, we have a 3,700 square metre (40,000 square foot) facility and a 19,000 square metre (200,000 square foot) yard.

Before our move, we shredded the entire pallet if it couldn't be repaired. Now, if some parts are in good shape, we keep them to re use and shred the rest. Instead of shredding a good two by four or a plank, we now re use it, which has led to significant savings.

Also, we now have machines to recycle our clients' cardboard and plastic waste. Before, we had to pay someone to take that off our hands. Now, we have equipment to put it in bales, and we can sell it, so we are recycling even more. We're trying to be a one stop recycling shop.

In 2015, we won a Desjardins Entrepreneurs prize for sustainable development.

The business has grown substantially. We've gone to a weekly turnover of 65,000 pallets from 35,000 a decade ago. I now have 65 truck trailers, and we have 44 employees, up from 20 two years ago.

### **On finding the positive in all situations...**

I'm proud to help the Syrian refugees we've hired. They needed help, and I believe if you can help, you should do so.

At first, it wasn't easy for some of them. Many had lost their homes or businesses in Syria. But I remind them that at least you are safe here with your families. You can't put a price on that.

My advice to other entrepreneurs is to be determined. When I acquired my partner's shares in 2007, the company lost two large clients who had gone bankrupt. I remember being worried. When I went home, I said to my wife, "We may have to move into my parents' basement."

But we ended up finishing the year with a profit. It showed me the importance of not being discouraged, even when things are challenging. Find the positive in all situations.