

# RETAILER TRAINING PROGRAM REPORT

## *Increasing Sales of Recycled Content Products Through Training and Partnerships with Retail Buyers and Recycled Product Vendors*

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## Abstract

The Recycling Association of Minnesota (RAM), EcoSource, and the Minnesota Office of Environmental Assistance (OEA) developed a unique training program from 1998 to 1999. The program was a response to the desire to see more recycled content products on retailers' shelves in Minnesota, which in turn would drive demand for recycled content material. The training was successful in educating buyers and in resulting in sales of recycled products. Based on feedback from the initial training, the organizers changed the work plan to reflect the best way to achieve the project's desired outcomes. The organizers are making the findings available in this document so that others might not "reinvent the wheel". Templates for a new work plan and budget have been included so that other states might begin work at their earliest convenience.

## Goal

The overall goal of the project was to gain meaningful commitment from at least three major retailers in Minnesota to carry and promote more recycled content products by the end of 1999. The organizers intended to achieve this goal through researching past experiences with retailers, conducting "training of trainers" sessions, and completing follow-up evaluation of buying patterns. RAM would first gain commitment by at least eight retailers to participate in the program. The goal was achieved in part, and the work plan changed to reflect what was achievable.

## Implementation

The OEA gave RAM a grant of approximately \$33,000 to carry out this training program. The original work plan included four tasks:

- Solicit business partners
- Research other experiences and identify sample product lines
- Design & conduct training(s) for at least eight corporations
- Measure results

### ***Task 1: Solicit business partners***

The first activity in the grant work plan was the following:

*Activity 1-A: Contact potential participants from at least 15 hardware, discount retail, office supply, and grocery chains in Minnesota. Invitees will include (but are not limited to) Our Own Hardware, Ace Hardware, Hardware Hank Stores, Knox Lumber, Menards, Fleet Farm, The Home Depot, Pamida, K-Mart, Wal-Mart, Target Stores, Office Max, Office Depot, Corporate Express, and Erickson's Diversified. The grantee will send a letter and make follow-up calls to the companies' sales and marketing staff. The grantee will ask that sales and marketing representative(s) (e.g., buyers) send a letter to confirm*

that they will attend the initial training in Activity 3-C. The goal is to receive confirmation from at least eight companies.

From July to October 15, 1998, RAM's contractor Bonnie Rubinstein of EcoSource contacted 27 retailers about their interest in the program. Of these 27 retailers, nine committed to participating.

**List of retailers contacted** (☆ indicates a retailer that wanted to participate in the training)

**Office Supply Stores:** Office Depot; Office Max; Paper Depot☆; Staples

**Hardware Retailers**

The Home Depot; Ace Hardware Corporation; Menards; Our Own Hardware; Hardware Hank Stores; Truserv Corporation; Mills Supply/Fleet Farm☆; Home Value☆; Payless Cashways (parent company of Knox Lumber); United Hardware (distributor for Trustworthy, Hardware Hank Stores) ☆

**Discount Retailers**

Target☆; Wal-Mart; K-Mart; Pamida Holding Corporation; Shopko; Montgomery Ward; Sears☆

**Grocery Retailers**

Erickson's☆; Rainbow Foods☆; Holiday (stores recently bought by Cub Foods/SuperValu); Super America; Cub Foods☆; Knowlan's

EcoSource and RAM compiled this list of retailers with input from OEA staff. The first step to contacting the retailers was to send a letter with a packet designed to get the attention of busy retailer buyers. Parker & Associates, a Rhode Island-based public relations contractor to the Buy Recycled Business Alliance (BRBA), produced the packet for the mailing. In most cases, the targeted audience for the mailing was the retailer's buyers. At smaller firms, the first point of contact was a general manager or owner. At the larger national chains, the contact was an environmental manager or senior sales and marketing official. Bonnie Rubinstein then made follow-up calls during September and October 1998 to gain interest and participation.

Unfortunately, in the office supply area, the major retailers (Office Depot, Office Max, Staples) did not express an interest. These retailers reported that they preferred to "do their own program" on recycled content products or felt that they currently carried an adequate variety of recycled content products. It was decided by RAM and EcoSource to not pursue contact with Corporate Express because it is a mail order retailer.

In hardware, there was not as much interest from the larger national retailers. Home Depot, for example, has been sourcing recycled products for some time. After some phone research, it appeared that hardware distributors to smaller hardware chains would be the best point of contact (e.g., Truserv Corporation, United Hardware). This strategy worked well, and United Hardware agreed to participate.

The key element of success for Activity 1-A was to demonstrate the value of the program to retailers. The contractor did this in several ways. She felt that she: did not

give the appearance of lecturing to buyers; was upbeat; and highlighted how buying recycled content products would benefit the retailer.

The next activity in the grant work plan was the following:

*Activity 1-B: Contact vendors and trade groups to encourage participation by their customers and members.* A key strategy of the program is to have vendors/manufacturers give incentives for retailers to carry and promote recycled content products. To achieve this goal, the grantee will contact at least the following organizations about their interest in the grant program: Buy Recycled Business Alliance; 100% Recycled Paperboard Alliance; Society for the Plastics Industry; Glass Packaging Institute; Steel Recycling Institute; Remanufacturing Industries Council International [now BuyReman.com]; and the National Association of Purchasing Management. Based on a shared understanding of incentive systems, the grantee will negotiate a strategy with interested groups to promote recycled content products and seek their participation in the retailer training session(s).

Because of the high number of firms that make recycled content products, the grantee chose to contact vendors with products in certain categories. These categories would include products readily found in the four types of retail stores. It was also decided to focus on vendors that would have the ability to handle increased sales to major retailers (e.g., not a 'mom-and-pop' manufacturer). It was noted that many of the potential vendors had gone out of business since the publication of a directory of recycled product manufacturers.

The product categories included the following: construction products; park & recreation products (e.g., playground equipment); landscaping products; non-paper office & home products; and paper & paper products.

Once the list of vendors was reduced to a manageable number, a letter was sent to 115 vendors in the first week of November 1998. The vendors were asked to send a copy of their latest product literature and information on any possible rebates, product specifications, etc. EcoSource continues to receive material from the vendors.

In mid-November the grantee also mailed a letter to 16 trade groups that represent manufacturers of recycled content products. The purpose of the letter was to ask the trade groups to carry a press release on the training program in their newsletters, communications with members, etc. EcoSource and RAM have talked by phone or in person to all of the trade groups identified in the work plan, and without exception they all expressed interest, although it did not result in much publicity among their members.

The next activity in the work plan was the following item.

*Activity 1-C: Complete summary of response and recommendations.* The grantee will report on the responses of potential participants and trade groups/vendors/manufacturers to the OEA. Based on the responses, the OEA will make a recommendation whether or not this grant project will continue.

Grant manager Linda Countryman of the OEA met with the grantee on October 20, 1998 to complete this activity. On the basis of this meeting, Countryman approved the project to proceed.

***Task 2: Research other experiences and identify sample product lines***

Task 2 included the following items.

*Activity 2-A: Research how recycled product stocking and promotion has fared elsewhere.* There have been several other retailer training efforts in the United States. The grantee will contact organizations that have carried out these programs to get feedback on “lessons learned.” Organizations to be contacted include (but are not limited to): Minnesota Office of Environmental Assistance; King County, Washington; HEB Grocery Stores in Texas; and the 100% Recycled Paperboard Alliance. The grantee will acquire training manuals, sample promotional materials, and reports.

*Activity 2-B: Compile information on “green” product lines.* In order to prepare training materials, the grantee will research the availability and variety of recycled content products. The final product—a sample list of recycled content products that consumer can buy—will be used in Activity 3-A.

EcoSource carried out research during the winter of 1998-1999 to accomplish these tasks. Major findings include the following.

Other experiences

*Minnesota Office of Environmental Assistance.* EcoSource consulted with OEA staff to find appropriate vendors of recycled content products.

*King County, Washington.* King County has had a program with retailers for several years. For office supply stores, the county arranged to have vendors offer discounts to large offices, such as law firms. The purpose was to first overcome the price barrier for recycled content products to allow offices to see that the products met performance criteria. Then the offices would be more willing to pay more or the same amount for the recycled content products.

The county also uses their own licensed shelf talker logo to highlight recycled content products at retailers. The county’s “Get in the Loop” campaign uses the shelf talkers and briefing papers for store staff to increase awareness. Follow-up SKU data demonstrated a 30-40% increase in sales for some recycled content products during the campaign. King County staff acknowledged to EcoSource that they had not attempted retail buyer training and looked forward to our results.

*Ohio.* The Ohio Department of Natural Resources has also worked with retailers in recent years. Their primary effort has been to promote recycled content products through shelf talkers.

*HEB Grocery Stores:* This Texas grocery chain has been very involved in America Recycles Day & Texas Recycles Day. It tends to focus on promotional activities that encourage consumers to buy recycled content products and to give positive publicity to the stores. Successful approaches to working with retailers included: looking for companies that already participate in the community; setting up shopping sprees with

media coverage; making a positive connection to the national America Recycles Day campaign; and telling retailers who the target market is.

*100% Recycled Paperboard Alliance (RPA).* The alliance represents mills that make 100% recycled paperboard with a minimum of 35% post-consumer waste by weight. The RPA has introduced a uniform symbol so that consumers can recognize its product. (Minnesota's General Mills, Inc. was the first major company to use the symbol.)

The RPA sponsored a recycled content shopping spree at the St. Louis Park Byerly's store in 1997 to highlight the new symbol for consumers and the local media. The RPA also assisted King County, Washington in their Get in the Loop campaign. An RPA consultant mentioned several logistical items of interest: circular ads should be arranged four to six weeks in advance; six to twelve months are needed to work a promotion into the retailer's schedules; organizers should identify SKU codes before the campaign starts in order to track sales data; and organizers should build long-term relationships with the retailers.

*California Integrated Waste Management Board.* Respondents said that there is not an easy way to track sales of recycled content products with retailers. State agencies are required to buy and track purchases, however, probably with UPC codes. The board wished that someone had done a study with retailers before undertaking a campaign.

*Other.* Most other buy recycled campaigns have focused on government procurement or private purchasing of products for facilities (e.g., Northeast Maryland Waste Disposal Authority, Environmental Protection Agency, Pennsylvania Resources Council, Buy Recycled Business Alliance, National Association of Counties, etc.). However, there are no guides for retail buyers, who buy products for resale within the stores.

The result of the research was that none of the buy recycled campaigns worked directly with retail buyers, who have the most decision making authority over what products the store carries.

A list of green products, or rather products that can be made out of recycled content, was included in the initial training (activity 3-A).

#### Vendor reaction

The viewpoints expressed by recycled product vendors during the research are included below.

- Recycled content products will sell more if there is little mention of recycled content.

Through its consumer research, Union Camp [now part of International Paper] has made some decisions regarding positioning and packaging. Their studies show that 10% of consumers truly will make a purchase based on recycled content, so Union Camp wouldn't 'boast recycled content'. The re-positioning in effect says, "We are making a product you can be proud to use...oh, and by the way, it is from recycled content," or "Made with the Earth in mind; performs with you in mind." They feel that as a corporation they can not proselytize, educate, or make the consumer feel guilty for not purchasing. In their hearts, consumers may aspire to doing what is environmentally

right, but when push comes to shove, they will neither pay more for the products nor go out of their way to get products.

The consumer is defensive when questioned on this issue. Customers also chose to blame corporations, such as saying “I can’t believe the manufacturers want us to pay more for these products or want us to use an inferior product.”

Hence, Union Camp did not want to compromise on the brightness of their consumer papers, which is what the consumer wants. They will, however, compromise this quality for corporate or government products, who are requiring a higher level of recycled content. They conform to government requirements for 30% post-consumer content in their Great White line.

- Marketing and government obstacles remain.

In a phone interview with Rubbermaid, the company reported that the house wares product line would carry recycled content products if there was a demand. Regarding containers that are in contact with food, the U.S. Department of Agriculture and the Food and Drug Administration have not yet approved the use of post consumer content for the recycled plastic that they might use.

Rubbermaid recycling bins are sold to businesses directly, not via retailer or discount retailers, because the stores have to make a certain revenue target per square foot. Community programs purchase the bins for citizens and they often specify the percentage of post-consumer content. (Illinois is the most aggressive state on this issue; it requires 25% post-consumer content in residential recycling bins to support community recycling.)

- Many recycled content product vendors have more success in selling to institutional buyers.

Collins and Aikman, a floor covering manufacturer that uses recycled material, reported that it cannot compete in retail stores. They do sell directly to contractors or are sourced by architects.

Andersen Windows sells a recycled content “Renewal” window, but only through its own stores.

Patagonia tends not to sell to large discount retailers but to specialized outdoor stores.

- Many mainstream manufacturers stress their accomplishments with packaging.

Companies such as SC Johnson Wax, Proctor and Gamble, and Colgate-Palmolive use 100% recycled paperboard (with a minimum of 35% post-consumer content) or 25% post-consumer recycled HDPE plastic in their packaging. While the purpose of the training grant was to highlight recycled content products, rather than packaging, we found that there is some value to introducing this information in the training.

First, it is a positive development that they use recycled material. It also makes it easier for retail buyers to get over fears about recycled content by showing them that some high quality products of highly recognizable brands are already on their shelves.

SC Johnson reported that they want to phase in appropriate environmental messages on packaging, with timing to be driven by market forces. Their company mission statement has six points to it, one of which is a commitment to the environment.

A representative of Proctor and Gamble stated that it is hard to control for color in plastic packaging, thus limiting production opportunities. She also stated that Proctor & Gamble does not show recycled content on the box in a consistent way because paper sources cannot be consistent.

- Some technical issues raise costs

Orbis is a company that makes black pallets with recycled content, although they are not for retail sale. Products that are for retail sale are often in colors that can't easily be made from recycled content, or there is inconsistency of the structural quality of the product. Modifying the product using recycled content requires more vigilance, such as cleaning, monitoring melting rates, etc., which tend to raise costs. Supply of recycled content material can also be a problem.

- Marketing by some recycled content product vendors is poor.

RAM and EcoSource developed a list of approximately 115 vendors that sell products that could be carried in the four target retailers: discount retail; grocery; hardware; and office supply. After an initial written request for product information yielded few replies, EcoSource and other volunteers spent many hours calling these vendors. The goal was to acquire information on price, specifications, and any other information that might help retailers see the quality of the product, including product sample. Perhaps 40 vendors responded with material.

Additional calling led to the discovery of additional vendor leads, and many of them sent information and product samples. Others pledged to send material and never did despite repeated calls. Numerous calls went unreturned. Many companies had difficulty understanding the purpose of the training since there had never been any similar projects that they could use as a reference. Many product vendors were also very small, and have difficulty spending much money on marketing or advertising.

- Organizers faced a chicken-egg problem in recruiting buyers and vendors

In trying to recruit vendors to participate in the training, EcoSource found that vendors wanted to know what type of buyers would be there. The organizers knew which companies had pledged to participate, but did not know the specialties of the particular buyers. When asking the retailers to send buyers to the training, the companies asked what type of products would be shown so that the right buyers would go. In short, organizers faced frustration because they could not confirm the buyer types or vendors until late in the training preparation.

- Buyers for discount retailers put more weight on price than most retailers in the decision making.

Several vendors expressed their frustration that they could not make sales to large discount retailers. The primary reason was that these retailers choose to carry products that meet criteria of a certain sales level per square foot.

- Retailers say consumers need to ask for the product; vendors say that consumers often won't know what to ask for unless they see it and that buyers need to ask for the product.

Many vendors that make both virgin and recycled content products respond to the requests of retail buyers. For example, Georgia Pacific reported that large discount retailers haven't asked for recycled content products but that if they did the mills could supply them easily.

At the same time, retail buyers take their cues from consumers. If the buyer believes that the consumer will buy the product, they usually will buy it. Many buyers interviewed for the training also said that manufacturers need to be pushing their products more.

### ***Task 3: Design & conduct training(s) for at least eight corporations***

*Activity 3-A: Design the training(s), prepare trainee kit/toolbox, and sign up presenters.*

The training must be tailored to the specific needs of the participants. Issues to be considered in the training design include: convenient location and time; whether additional training dates and sites will be needed; a list of products in which corporate buyers are interested; and a meaningful curriculum. The training will also include presentations by vendors and manufacturers.

*Activity 3-B: Prepare logistics for training(s).* The grantee will make arrangements for at least one training site in the Twin Cities.

*Activity 3-C: Complete training(s) and compile evaluation results.* A sample curriculum for the training may include the following items: illustrating how the recycling "loop" works; identifying post-consumer content; sharing experiences of other companies on buying recycled content products; and introducing methods to create a data "baseline" on existing recycled content products in a store's inventory. The grantee will also ask participants to complete a written evaluation of the training(s).

*Activity 3-D: Complete 2<sup>nd</sup> interim report to OEA.*

*Activity 3-E: Provide follow-up support to trained buyers at their companies.* The grantee will visit participants at their work sites to follow-up on the initial training.

Assistance may include: selection of product SKUs for monitoring changes to baseline; advising original participants on follow-up training for other buyers; and identification of new recycled content product lines.

Activities 3-A, 3-B, 3-C, and 3-D were completed as planned. Based on feedback at the training, activity 3-E and all of Task Four were modified.

*Activity 3-A.* EcoSource proceeding to design the training and a workbook. RAM, through its capacity as state co-organizer of America Recycles Day, requested that the national ARD organization provide a speaker on ARD for the training. RAM also developed an agenda and assisted EcoSource with the training design.

EcoSource wrote and designed a workbook for use by the retailer buyers called the "Retail Buyers Guide." [The workbook is currently out of print.]

*Activity 3-B.* RAM staff and volunteers completed the logistics for the training. Based on access to the airport for out of town vendors and retailers, the Minneapolis Airport

Hilton was selected as the training site. The facility was a full-service hotel with a catering staff and many adequate meeting rooms. Tuesday, April 6, 1999 was selected as the training date.

*Activity 3-C.* The training was completed on April 6 as planned. (See attached agenda.) The group used two rooms at the hotel, including one in a classroom style for the training, and a second room for vendor displays. Supplies included recycled vinyl notebooks and recycled content ball point pens with the America Recycles Day logo.

*Participants.* Of the nine companies that committed to participating in the program in Task One, four came to the training. The retail stores that came to the program included Target Stores, Mills Supply/Fleet Farm, Erickson's Diversified, and Cub Foods.

The five stores that did not come included Sears, United Hardware Distributors, Home Valu, Rainbow, and Paper Depot. Sears representatives still express interest in receiving training, but other conflicting activities made it difficult to get people to Minnesota from Illinois. The United Hardware contacts were also very interested in receiving training, but since the completion of Task One, the company had become responsible for approximately twice as many stores as it had serviced previously, thus increasing the buyers' workload. The main contact at United also had a scheduling conflict.

An internal communications problem within Home Valu kept its three buyers from knowing about the program until the last minute. Paper Depot, a one-outlet specialty store in Minneapolis, wrote to say that it was no longer interested in participating. Rainbow underwent many internal changes due to the departure of the V.P. for sales and marketing, thus delaying approval for attending the training.

The "Why Buy Recycled" session covered much of the material in the workbook. Participants gave some feedback on perceived barriers to buying and selling more recycled content products.

The barriers included price, quality, discomfort with recycled content packaging for personal care products, and affinity for brand names.

Bill Heenan of the Steel Recycling Institute, representing the national America Recycles Day (ARD) organization, gave an introduction and brief video presentation to the audience on ARD. Paul Gardner of RAM also discussed the impact of the ARD program in Minnesota in 1998.

*Small group discussions.* After the break, retailers and vendors were placed in three breakout groups to get the feedback on the following question: "How do we get consumers to know and buy recycled content products?"

This activity proved to be one of the most useful. The vendors and retailers all had very creative and productive discussions. There were on average an equal number of vendors and retailers in each group. In fact, the positive reaction to the activity was great enough that organizers extended the session to allow the fullest possible discussion.

Here is the feedback developed by the breakout groups. Their responses were not necessarily pledges to follow-up on these ideas, but based on their sales and marketing expertise, the participants felt these methods would be effective in general.

- provide company space, end cap displays, displays in front of store, and point of sale information
- provide inserts and flyers that include side bars with information, or manufacturer/product of the month
- tie into community programs
- educate children, promote recycling education with funds
- provide promotional giveaways (i.e., in conjunction with back-to-school, Earth Day, etc.)
- provide in-store demonstrations with giveaways, so that they may overcome brand loyalty
- create a uniform, recognizable recycled content product symbol, perhaps a big 'check' next to product until one is available
- provide shelf talkers, displays at checkouts
- consumers need to touch/feel, bring home products
- use self-adhesive, reusable floor stickers (i.e.- at Home Depot ) to announce "coming soon"
- put green foot prints leading to recycled content products, etc. where colors change to, say, a bright yellow that means "You're there!"
- use co-op advertising or contests with prizes (between retailer and manufacturer) to promote recycled content products
- have all check-out staff wear shirts made of recycled content (if recycled content products clothes are carried) or buttons that say "Ask me about 100% ..." to encourage customers' questions
- provide price comparisons between virgin and recycled content products.

*Vendor interaction.* Before the training began, at breaks, and after the training, the retail buyers had the chance to meet vendors by the display tables. Retail buyers and vendors also had a chance to interact during small group discussions during the training.

The vendors included the following companies: Fort James (tissue products); Biocorp (biodegradable bags, plates, cups, and cutlery); Recycled Plastics, Inc. (various HDPE products); Seventh Generation (tissue products and health & beauty products); Composite Technologies Company (recreational products); Great White Consumer Products (office paper products); Recycled Paper Greetings (greeting cards); Bedford Technologies, Inc. (plastic lumber); Durable Corporation (flooring from recycled tires); Direct Access International (recycled PET apparel); Ottawa Fibre (ceiling tiles); Ampad/American Pad & Paper (office products); and LDI Fibres/Liberty Carton (corrugated products).

*Evaluations.* In general the evaluations were very positive. Organizers received eight completed evaluations, including three from vendors and five from retailers. Organizers also received substantial verbal feedback from participants during and after the training.

Among the highlights of the evaluations were the following:

- Buyers found the session on “Why Buy Recycled” to be new and useful to them.
- Vendors and buyers enjoyed learning the perspective of the other during the breakout sessions.
- Vendors appreciated the opportunity to meet directly with vendors, and supported the idea of more lengthy training and a larger group of buyers.
- Buyers said that they were motivated enough by the training that they could have met with even more vendors.

*Organizer observations.* On April 21, organizers met to debrief the training. They reviewed the evaluations, shared their observations, and discussed how to plan for the future.

Regarding comments on needing a larger group, it was clear that there are pros and cons to different training methods. A collective group training with different types of retailers is less expensive than customized on-site training, but fewer buyers can come due to busy schedules. Four hours is also a large time commitment for buyers. Organizers also felt that they underestimated the number of hours it would take to recruit buyers. The task was often discouraging. However, Bonnie Rubinstein of EcoSource did an outstanding job of convincing buyers that it was in their interest to find out about a new class of products.

The retailers who came were also very different. Erickson’s is a relatively small chain of grocery stores, while Target has hundreds throughout the country.

Some of the larger vendors faced few financial constraints in coming to the training. Many of the sales people spend a lot of time traveling each year and understand that the road to successful sales can be long. Therefore, simply the chance to meet with buyers from a large company like Target was a great opportunity. Some of the vendors suggested that they might make in-person follow-up contacts within several weeks. It seems that if the participating companies can identify which buyers would come to future training sessions well ahead of time, many more vendors would commit to participating.

EcoSource still has the opportunity to give training to the companies that did not come. In particular, Sears and United Hardware would be excellent prospects for trying on-site training. The organizers decided (in conjunction with the OEA grants officer) to propose an alternative to Task Four.

#### ***Task Four: Changing Course***

The organizers abandoned the idea of detailed follow-up work with retailers on tracking recycled content purchasing. The reason for this change is because of the successful interaction observed between retailers and buyers at the training.

It is usually assumed in the recycling community that recycled content product manufacturers are always at a disadvantage due to higher prices and myths about

quality. In other instances around the country, state government agencies and nonprofit organizations have spent a lot of time trying to get and compare SKU data, attempting to get companies to make commitments to buy recycled, and so on.

During the training, however, organizers found that quality vendors know how to market their product. Buyers also know how to recognize quality products that are competitive in price. While some constraints on buying recycled do exist, the one that seems to be within our control is the fact that vendors and retailers often do not find each other.

Therefore, the most effective task that organizations like RAM can undertake is to bring together recycled content vendors and retail buyers, while providing general education on recycled content products. We had assumed that vendors had already tried to sell to the buyers we trained. This turned out to be untrue—the free market has “failed” in this regard. Buyers have not been introduced to recycled content products as a “class” of products; they have always seen products on their own without consideration of their environmental attributes.

In response to these trends, organizers dropped their original plans for Activity 3-E and Task Four (develop a model corporate pledge for buying recycled, developing a baseline of recycled content products sold in stores, evaluating progress against baseline) and developed the following.

*Activity 3-E:* Reinforce initial training with participating retailers and vendors.

RAM and EcoSource followed up with participating retailers and vendors about results from the training. Using a faxback form, we asked retailers and vendors to report if there were any follow-up contacts and/or product orders based on the program.

To our knowledge there were several sales, including Ottawa Fibres ceiling tiled sold to Mills Supply/Fleet Farm and CTC post-industrial plastic snow boards sold to Target Corporation. Verbal feedback from Cub Foods indicated that at least one buyer is asking vendors about their recycled content alternatives.

Seventh Generation contacted RAM in May 2000 asking for Minnesota retailer contacts. In June of 2000, the company met in Minneapolis with two Target buyers. Target did not agree immediately to buying Seventh Generation products but they also did not rule it out.

*Activity 4-A:* Research and develop a proposal for retailers for a customized on-site training.

This activity would increase buyer participation by having the training at the corporate headquarters. EcoSource would work with corporate staff to identify general product lines, and then would recruit vendors for those product lines. Vendors would be asked to provide the majority of financial support for the training, which could be completed anywhere in the country. A revised work plan for future organizers is attached.

*Activity 4-B:* Survey vendors about their sales before and after the training.

Rather than work with retailers on their sales data, EcoSource proposed to contact participating vendors about their sales. This method will let organizers see the impact of the training on selected sales. Vendors who came to the

training have indicated that they would be happy to help with this activity. We found this activity to be more efficient and less time-consuming than trying to work with SKU data from the retailer.

*Activity 4-C:* Develop a checklist for retailer buyers on recycled content products.

This information would be used for asking vendors about the availability of recycled content products. Since retail buyers often do not ask for the recycled alternative, vendors don't push the recycled content product. If given a one-page checklist, the buyer can ask about the price differential, quality, and availability of the recycled content product. The checklist is attached.

## Proposal for Future Training

Target policy does not permit outside trainers to work with buyers. However, EcoSource did receive approval to incorporate a section in the Target buyers' manual on recycled and other environmentally preferable products. In addition, Target in early 2001 is sending out a questionnaire to all of its vendors requesting information on their products' environmental attributes. The Target Environmental Department will review this information.

RAM and EcoSource developed the five attached documents that will help organizations design and carry out retailer training programs in the future. It should be an "off-the-shelf" program.

The documents include the following

- **Retailer letter.** This letter would be used to solicit interest from retailers in the training.
- **Vendor letter.** This letter would be used to solicit interest in the training from manufacturers and their salespeople.
- **Timeline and suggested future work plan.** The timeline and work plan will give organizations an accurate idea of the tasks required for carrying out training.
- **Budget.** The budget template should give organizers an idea of what financial resources it would take to carry out the training.
- **Checklist.** One of the requests made by participants in the April 1999 training was for a quick-reference checklist. The buyers found the Buyer's Guide used at the training to be helpful, but they are very busy and might not constantly refer to the guide. A checklist would quickly remind buyers of the questions they could ask their buyers when making purchases. The checklist is attached to this report. In our research, we have not found a checklist that was oriented specifically to buyers. This checklist was not meant to be exhaustive, since one assumes that a buyer will have gone through the full training first, and that that checklist is a 'refresher'.

## Frequently Asked Questions for Future Organizers

- **How does the program get funded?** In the long term, the program would be supported by vendors. Manufacturers are used to paying for trade show booths in order to get just a few sales leads. For the same cost of a standard trade show booth (\$1,000 or so), our training will not only “soften up” one retailer’s buyers to recycled content products, but it will introduce the vendor directly to the right buyer at corporate headquarters. It usually takes weeks or months from the time a vendor gets a sales lead to the time it “gets in the door” of the retailer, so this program would reduce costs for the vendor. It was our intention to reach this point at the completion of the grant. However, until we developed a sales track record, we couldn’t convince the vendors of the program’s usefulness. It will require some grant funding to pay a contractor to start up the next training, after which the vendor registrations should sustain the program.
- **How long does the program take?** It took approximately 18 months from project initiation to completion. We expect that there will be significant time savings for the next training (see attached timeline), but expect the time period between when a trainer is hired to the time a training is held to be about a year for one retailer. There would be some economies of scale if the trainer focused on more than one retailer during that time period. This would allow a few back-up training opportunities, and would make sure that one retailer is always “in the hopper” as a potential trainee.
- **Who should conduct the training?** It helps to have a contractor who is dedicated only to the training. A state recycling organization could organize it, but nonprofits tend to have many different projects going on at the same time. EcoSource would be an ideal choice because of its background with the first training. However, it is possible that a competitive bid would be required. The ideal trainer should have a desire to see the project through to the end.
- **What are barriers to holding the training?** The two main barriers would be initial funding for the next training and too much reliance on one retailer. A trainer should consider training more than one retailer during the project in case one backs out or is not interested.
- **What would be the realistic outcomes of the training?** A trainer should not be concerned with doing a vendor’s or buyer’s work for him/her. Desired outcomes would include getting the buyers and vendors to meet face to face, and to give retail buyers a cursory knowledge of a product’s environmental preferable attributes. That objective is more than most vendors have been able to do. Avoid too much focus on measurement or trying to “sell” a product to a buyer—that is the vendor’s job.
- **Do you have any other lessons?** Remember that a retail buyer is at the “top of the food chain”; a buyer always has the power to say “no” to a vendor. Nothing that you do will change this situation. Good vendors should know how to negotiate and get to “yes” or at least “maybe” with a buyer.

- **What if the company is indifferent to the environment?** The training organization should not worry about things that are not under its control, such as a corporation's corporate culture on environmental issues. The most important goal that is under one's control is sales of recycled content products. By introducing a class of products to buyers, you will be doing something that has never been done before now.

## Proposal for Retail Buyers

### **In Your Store Will Customers Find the High Quality Products that 72% of American Consumers Want?**

What these consumers want are **recycled content products**. More than half of American consumers want retailers to identify environmental products. These consumers also say that they look favorably upon stores that carry them.

Not only do consumers want recycled content products (RCPs), but the use of RCPs also helps the environment. By avoiding the use of virgin materials, RCPs save natural resources; save energy; reduce harmful emissions; save landfill space; and create jobs.

#### **How can you find out more?**

We can provide you with a short two to three hour training program at your buyers' offices. With the training program your buyers will learn the following:

- how RCPs help the environment
- how to dispel outdated myths about RCPs
- how community organizations can help bring environmentally-oriented customers to your stores through the America Recycles Day campaign
- what RCPs are available [insert types of products appropriate to the specific retailer]
- how you can build relationships with RCP vendors

In addition, right after the training we will bring to your offices a customized set of about 30 vendors. Not only will your buyers learn about RCPs, but they will get to see and touch them as well as get more specifics from the vendor—right on the spot!

#### **What do you need from the retailer?**

We can begin recruiting vendors and customizing the training materials as soon as we receive a written commitment to the training from the retailer. Since buyers are busy people, we can do the training and the vendor show at your site. The product vendors will help to defray most of the training costs, but any assistance in providing the training facility and recruiting the buyers to participate would be appreciated.

### Is Your Company Having Trouble Selling to Retailers?

You have probably faced some obstacles to convincing retailers about the value of recycled content products (RCPs). This could be due to the following issues:

- Retail buyers may have had a bad experience with the early types of RCPs.
- Buyers may have some mistaken assumptions about the price, variety, and quality of the latest RCPs.
- Retailers may believe that consumers do not want RCPs.

We can help. We have developed a unique half-day training program that shows the benefits of recycled content products to retail buyers.

Here's what we do:

- We give retail buyers *an overview about consumer demand* for RCPs and about the performance and quality of RCPs. The training is at the retailer's headquarters where most buyers are located.
- Retail buyers *immediately* get an opportunity to see your company's products at a mini-fair of 30 vendors.

Some of the vendors had been trying unsuccessfully for months to get the attention of some of these retailers, or had not yet attempted contact. By participating in the training, vendors got a chance to talk to the buyers face-to-face. Here's what they had to say from a previous training.

"I hope the participants found the conference to be educational, enjoyable and informative. I know that I did. I believe the contacts I made will prove to be fruitful and will hopefully introduce recycled content products to a wider audience." --Mitchell Fine, Direct Access International

"I would like to take this opportunity to say thank you for being picked to attend your show. . . . When I consider that there are thousands of companies to pick from, we at Ottawa Fibre feel very lucky. The show was a great success for OFI as we discovered new contacts and they discovered OFI . . ." --Franco Ronchi, Ottawa Fibre Inc.

"Thank you for inviting us to participate in the training session. I found it to be very beneficial and had some good discussions with a number of buyers. . . ." --Jim Timmes, Great White Consumer Products

We are now contacting interested retailers about registering for exhibit space at \_\_\_\_\_. The cost to the vendor is \$1,000 to participate. Should you have success with the buyers, you will more than recoup this cost!

<b>Retailer Training Program</b>								
<b><i>Sample Timeline for Future Training</i></b>								
	<b>YEAR 1</b>				<b>YEAR 2</b>			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
<b>Task One</b>								
Assemble Planning Team	****							
Determine/secure initial funding	****	****						
Hire contractor/employee		****						
<b>Task Two</b>								
Identify potential retailers		****						
Identify vendors		****						
Secure commitment from a retailer to participate		***	*****					
Set training date				****				
<b>Task Three</b>								
Solicit vendors for booth space				****	*****			
Prepare curriculum and handouts					*****			
Conduct training at retailer headquarters						****		
<b>Task Four</b>								
Survey vendors on sales							****	
Survey buyers							****	
Internal evaluation								*****

### ***Detailed Work Plan For Future Training***

**Task One: Build the training infrastructure.** This task will involve creating a core group of people who will guide and carry out the training, and seek funding.

**Activity 1-A: Assemble Planning Team.** A planning team should include a multi-sectoral group, including members from

- state and local government;
- the private sector (preferably a recycled product manufacturer or vendor and a retailer); and
- the non-profit sector (preferably a state recycling association or state chapter of the Buy Recycled Business Alliance).

**Activity dates:** First quarter, year one

**Activity 1-B: Determine/secure initial funding.** The program is designed to be financially self-sustaining once it is completed. However, initial funding is required to begin paying staff or a contractor to gain retailer commitment to participate. The planning team should identify funding prospects early and move the project timeline in accordance with potential grant or contract award dates.

**Activity dates:** First and second quarters, year one

**Activity 1-C: Hire contractor/employee.** The recruitment of retailers and vendors requires the full attention at least one person. A contractor would be a good choice for the recruitment activity because he/she will not be distracted by other work. A support staff person or contractor should be used to perform research and administrative duties at a lower hourly rate than the prime contractor. A contract that caps the payments to the contractor(s) is recommended.

**Activity dates:** End of second quarter, year one

**Task One maximum costs:** \$4,839

**Projected outcome:** Task one will create the human resources infrastructure and raise partial funding required to carry out the training.

**Evaluation of outcome:** Planning team in place and has met several times; funding prospects identified and grants/contractors secured; employee or contractor hired.

### **Task Two**

**Activity 2-A: Identify potential retailers.** At same time the staff or contractor(s) are hired, the planning team should identify some five to ten retailers that the project should target. The planning team should consider retailers that could make a large impact and who would attract paying product

manufacturers. It is suggested that the retailer have more than 50 stores and carry product lines that could be replaced or complemented by recycled content products and packaging (e.g., grocery, hardware).

**Activity dates:** Beginning of second quarter, year one.

**Activity 2-B: Identify vendors.** There simply are too many recycled content product manufacturers from which to choose. The planning team should determine with the contractor(s) which products to target so that the vendors will be appropriate matches with potential retailer participants. Questions to consider include:

- Does this vendor produce enough to be able to fulfill large orders in a short time?
- Does this vendor sell to retailers (e.g., markets are not just wholesalers or business purchasers)
- Does the business seem like it will still be in business in a year or two?
- Is the vendor's product a finished product (e.g., it is not in the experimental design or production stages) that is really to deliver?

Screen out vendors for which the answers to these questions is no. Resources to use include *The Official Recycled Products Guide* (to order, call 800-267-0707), the Buy Recycled Business Alliance, and the world wide web. Do not contact vendors at this time, except to get the name of an appropriate sales representative. However, build a database of companies that can be used immediately later in the project.

**Activity dates:** End of second quarter, year one.

**Activity 2-C: Secure commitment from a retailer to participate.** The contractor(s) should solicit the retailers' vice president of sales or its equivalent. This person is responsible for all the company's buyers and can make commitments to receive the training. Expect to wait a long time for a final yes or no response, but be prepared to make periodic follow-up calls to move the process along. Set a deadline for a response if possible. The deadline is mostly psychological, but effective.

**Activity dates:** End of second quarter through end of third quarter, year one.

**Activity 2-D: Set training date.** Once the retailer has committed to participating, negotiate for a training date as soon as possible. It becomes easier to recruit vendors when using a specific date, or you will be wasting your time and the vendors' time. If you can get more than one retailer in the same city to agree to participate, try to schedule them on successive days or two days apart so that vendors can stay in town (and pay twice, which creates some economies of scale). Also ask the retailer to donate some space at their facility that can comfortably accommodate 30 booths that measure 10" by 10" plus a classroom-style room, or approximately 5,000 square feet. Also ask if a staff

person at the retailer can be designated to help set up logistics for the training, send out messages to buyers, etc.

**Activity dates:** Beginning of fourth quarter, year one.

**Task Two maximum costs:** \$11,292

**Projected outcome:** Retailer(s) recruited and confirmed; vendors identified.

**Evaluation of outcome:** At least one retailer agrees to participate in the training; 30 vendors register and pay to attend training; and a training date is set.

### Task Three

**Activity 3-A: Solicit vendors for booth space.** Now is the time to contact the vendors you have researched. Vendors will give you more immediate responses if you have a training date and a committed retailer. Consider using a mailing similar to those used for conferences. Vendors are used to solicitations that ask them to be exhibitors at trade shows and other venues, so your request about this unique training will not seem so foreign. Create a formal registration process with a numbered map of the exhibit space and a form. Give the vendors a deadline to register and consider an early-bird discount to guarantee an early flow of cash to pay the contractor(s). Send out reminder faxes or make follow-up calls as the deadline approaches.

**Activity dates:** End of fourth quarter, year one, to end of first quarter, year two.

**Activity 3-B: Prepare curriculum and handouts.** Now is the time to prepare the material to be presented to the retailers. Consider the format of the training. For some retailers, it may be possible to have all its buyers in one place for perhaps two hours in a classroom style arrangement. For others, it may be necessary to have a “rolling” training through which the contractor(s) gives several presentations throughout the day to different sets of buyers.

Handouts would include: a *Retail Buyers Guide to Recycled Products*; a list of all the vendors with contact names, numbers, and addresses; and the “Checklist for Retail Buyers on Recycled Content and Other Environmentally Preferable Products”.

Work with the designated contact at the retailer to get donated printing and to set up the facility in the desired fashion. Request that the retailer contact also help out in making sure that the buyers attend the training; this message comes best from within the company and not from the contractor(s).

**Activity dates:** First quarter, year two.

**Activity 3-C: Conduct training at retailer headquarters.** If the above activities have been followed, the actual training should be relatively trouble free. Do not expect buyers to pay attention to the trainer (who is probably the

contractor) for more than two hours. Messages to include in the curriculum can include: why we recycle; recycling vs. recycled content; asking buyers to describe any preconceptions of recycled products, quality and performance of recycled products; examples of current recycled products in retail stores; and introducing the buyers to the vendors. Prepare a simple evaluation form for buyers to complete before they leave the training room.

Allow the buyers plenty of free time to visit vendor booths. The training is designed to “soften up” the buyers to the idea of recycled products; the booths and vendor sales representatives will show buyers “real” products.

**Activity dates:** Beginning of second quarter, year two.

**Task Three maximum costs:** \$11,292

**Projected outcome:** Vendors solicited; training prepared and delivered.

**Evaluation of outcome:** 30 vendors pay for a booth at the training; training curriculum and handouts.

#### Task Four

**Activity 4-A: Survey vendors on sales.** Send a simple one or two page survey to the vendors who attended the training. At the least, ask them the following questions:

- Did the vendor and buyers have any follow-up contact after the training?
- Did they make any sales of their product to the retailer as a result of the training? If so, how many units or what was the volume of receipts? (Ask them if this information should be confidential.)
- If they didn't make any sales, did the retail buyer give a reason for not purchasing their product? If so, what was it?
- Would they be willing to register for a training at another retailer, and if so, what kind of retailer would it be?

**Activity dates:** End of third quarter, year two.

**Activity 4-B: Survey buyers.** Send the buyers a simple one or two page survey, either directly or through the designated contact at the retailer. At the least, ask them the following questions:

- Do they use the checklist? If so, have current vendors introduced any recycled products as a result? If not, does the checklist need changes or is it needed at all?
- Have the buyers made any purchases as a result of the training? If so, what was the product and how much of it did they buy? If not, what was the barrier to buying recycled products?

**Activity dates:** End of third quarter, year two.

**Activity 4-C: Internal evaluation.** The planning team should convene to review the evaluations from the day of the training plus the vendor and buyer evaluations.

**Activity dates:** Fourth quarter, year two.

**Task Four maximum costs:** \$4,839

**Projected outcome:** Vendors and buyers surveyed; project evaluated.

**Evaluation of outcome:** Completed surveys and analysis; written project evaluation.

***Budget Template for Retailer Training Program***

**For One Retailer**

	<b>Unit</b>	<b>Rate</b>	<b>Total</b>
<b>Salary &amp; Consultant Fees</b>			
Contractor (300 hours @ \$65/hr)	250	\$ 65	\$ 16,250
Administrative Staff (250 hours @ \$20/hr)	250	20	5,000
			-
<b>Transportation</b>			
airfare/hotel (if necessary)	2	1,000	2,000
mileage (24 months @ \$20/month)	24	20	480
<b>Direct Costs</b>			
printing of workbook/other materials	100	10	1,000
telephone/fax (24 months @ \$100/month)	24	100	2,400
postage (24 months @ \$50/month)	24	50	1,200
supplies	1	1,000	1,000
training facility (in-kind retailer)	1	-	-
<b>SUBTOTAL</b>			<b>\$ 29,330</b>
Overhead (10%)			2,933
<b>TOTAL</b>			<b>\$ 32,263</b>
<b>Potential Sources of Support</b>			
host state env'l agency grants/contracts	1	20,000	20,000
vendors	30	900	27,000
<b>TOTAL</b>			<b>\$ 47,000</b>
<b>Surplus (Deficit)</b>			<b>\$ 14,737</b>

State grant/contract allows contractor to begin getting commitment from a retailers.

Once commitment is received, vendor booth funding becomes available.

Surplus allows contractor to begin work on second retailer without government assistance.

**Agenda for Half-Day Training, April 6, 1999**

<u>Item</u>		<u>Time</u>
Registration/Continental Breakfast		8:00-8:30 a.m.
Welcome & Introductions	Jim Bosch, RAM Board Chair, Buy Recycled Business Alliance & Environmental Manager for Target Stores	8:30-8:40 a.m.
Why Buy Recycled?	Bonnie Rubinstein, EcoSource	8:40-9:00 a.m.
Consumers Want Recycled Content Products: the America Recycles Day campaign	Bill Heenan Steel Recycling Institute	9:00-9:30 a.m.
BREAK		9:30-9:45 a.m.
Your Feedback: Meeting Your Bottom Line & Protecting the Environment	Bonnie Rubinstein	9:45-10:45 a.m.
Follow-up: What's the Next Step?	Bonnie Rubinstein	10:45-11:00 a.m.
Recycled Product Fair & Meet with Vendors		11:00-12:00 noon
Adjourn		12:00 noon