

Small-scale shredder filling market niche

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Bailey Jung's one-man paper-shredding business was never meant to slash at the national companies that offer the same service, but rather to cut himself a small piece of the pie.

So far so good. After spending \$100,000 to get Silver Bullet Shredding off the ground, Jung got out of the red in May, hoping to turn a bigger profit in the months to come.

Jung began Silver Bullet Shredding last September in order to take advantage of market opportunities created by the new provincial Personal Information Protection Act, and corporate and private concerns over identity theft. The on-site shredding competition consists mostly of large national shredding companies like Shred-it and Iron Mountain Proshred Security, although Urban Impact is a B.C. company that offers the same service.

"These big companies were all servicing big banks, big law firms, hospitals and Crown corporations," says Jung. "There was really nobody that I could find who provided secure shredding services for smaller businesses, like a three-person law office or a small medical clinic. These are businesses with a great need to shred."

He studied the market, did some "intelligence work" on the competition ("I'd spend the whole afternoon following Shred-it") and wrote up a business plan, which called for almost \$100,000 in start-up capital. For his mobile service, he had to buy a large, reliable truck, a high-quality shredder and a diesel generator to power the shredder.

A former financial adviser at RBC Dominion Securities, and a guy who used to run his own investment company, he contacted people he knew in the business world, explaining to them that shredding documents is the secure way to go.

"Recycling is a paper-waste issue, and document shredding is a paper-security issue," states Jung, who recycles all paper waste after it has been shredded.

One of his old contacts, someone at the North Shore Winter Club, became his first customer.

Silver Bullet cannot compete for the big contracts because his relatively small truck and shredder would take much longer than a larger operation to complete a big job. However, for small offices, he is very competitive; whereas a large company will charge a small office a \$95 minimum rate, Jung charges \$45.

"I'm not really going after their type of customers, and they're not going after that single Autoplan insurance agency office," says Jung. "It doesn't make sense for them to show up and shred 120 pounds of paper."

Jung has been operating as a one-man company, but if his client list continues to grow at its current rate, he hopes to hire staff early next year. The company turned its first profit in May, and his client list has grown to include bigger businesses such as Radical Entertainment, QLT Inc., Mountain Equipment Co-Op and seven Rona Revy Lower Mainland stores.

So what does Silver Bullet offer that the big companies can't?

"We do the little things right," says Jung, mentioning things such as showing up on time, offering service with a smile, sending customers thank-you cards, and cleaning up properly when the job is done.

"I think the key advantage that I offer is that if there is an issue or concern, people can call me and they know they are dealing with the owner of the company . . . not dealing with a driver," says Jung.

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