

Good intentions, good results

Features - Cover Story

Mallin Cos., Kansas City, Missouri, has continued to thrive after helping usher in the era of responsible wire and cable scrap processing.

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Pictured, from left: Jeffrey Mallin, Larry Mallin and Zach Mallin; photos: Julia Shapiro

Recyclers are not the only business owners who can make claims to “doing well by doing good,” but the nature of their work in conserving natural resources can lend itself to living up to this aspiration.

Thanks to a key decision and the determination to follow through on it, Kansas City, Missouri-based [Mallin Cos.](#) has consistently achieved that goal and has sustained its family business into its fourth generation as a single-location scrap recycling firm.

Larry Mallin decided in the mid-1960s that it was time for wire processing to move beyond techniques that involved burning off the plastic coatings. This not only provided

a bright future for the family business (doing well), it also helped usher in an era of environmental responsibility in the handling of these scrap materials (thus, doing good).

Mallin Cos. at a glance



Officers:

CEO Larry Mallin, President Jeffrey Mallin, Vice President Zach Mallin, Operations Manager Dan Schmidt and Office Manager Sharon Hall

Location:

headquarters and processing facility in Kansas City, Missouri

No. of employees:

approximately 25

Equipment:

automated wire processing lines; balers and shears; a small fleet of trucks and van trailers to transport scrap locally; roll-off containers; and forklift trucks, skid steers and hydraulic material handlers

Services provided:

copper and aluminum wire and cable processing and purchasing and processing of other types of nonferrous scrap, as well as some ferrous and plastic scrap

Generation upon generation



Harry Mallin founded the Mallin Junk Co. in 1928, after he had already spent several years collecting different forms of scrap in and around Kansas City. At that time, Kansas

City was in a state of hyper growth, its population rising from less than 250,000 people in 1910 to 400,000 in 1930—a 60 percent jump in two decades.

Although the era of mechanization was well underway in 1928, current Mallin Cos. President Jeffrey Mallin says of his grandfather Harry, “A horse and wagon was the means of collecting bottles, rags [and] scrap metal, until his brother Joe joined him, and they opened up a location.”

Joe’s tenure began in 1946 after he returned from serving in World War II, and the duo began operating as Mallin Bros. Co. Inc., a name that would be retained until 2015 when the change to Mallin Cos. was made.

Harry’s son Larry joined the company in 1952, and 66 years later remains with the firm as its chairman. Larry pursued an idea that has come to define the family firm’s identity in the scrap industry.

“Wire processing is our niche, and Dad had the foresight many decades ago that there was a better, more economical and environmentally superior way to process wire other than burning it,” Jeffrey says.

Larry was prompted to think about and act on the idea in large part because of existing customer relationships, Jeffrey says. “We had two major customers [in that sector], one of them a wire manufacturer that generated enough consistent scrap for us that we knew we needed a better way to process,” he adds.

By the time Jeffrey joined the family business in 1981, Mallin Cos. (then Mallin Bros.) already had invested in automated wire and cable processing equipment, and the firm was procuring wire and cable scrap from throughout the Midwest.

The specialty processing niche has helped Mallin Cos. interact with customers in a wider geographic region while also providing the revenue and scale to allow it to continue handling other forms of scrap for customers in its core Midwest market.

Mallin Cos. became a fourth-generation family business in 2014, when Jeffrey’s son Zach joined the firm after graduating from the University of Missouri.

Jeffrey credits his father for passing along values such as “integrity and honesty and a work ethic that I’ve tried to pass on to my children in the same way.”

He also says he and his father have brought different strengths to the company. “Dad is a people person who has really enjoyed and thrived in the sales aspects of the business,” Jeffrey comments. “I’d say my strength is organizational and administrative skills and my attention to detail.”

Zach, who studied business, finance and real estate in college, is equipped to follow his father’s pattern, but Jeffrey says he is pleased with his son’s people skills. Referring to Zach’s involvement in the Washington-based [Institute of Scrap Recycling Industries \(ISRI\)](#), Jeffrey says, “He’s now vice president of the Mid-America Chapter and part of the Young Executives group. He really, at this point, has far exceeded my levels of relationships after just four years. That’s been tremendous. When we go to these

meetings, we divide and conquer, so to speak. At this point, he's busier than I am, and it gives me great pride—I love it.”

Nine decades in the making, Mallin Cos. as of 2018 is a firm with the potential to move in several different directions under the guidance of its multigeneration leadership team.

Properly wired



Although growth has been an ongoing part of the Mallin Cos. story, so has restraint in the form of concentrating on its specialty.

“Of course, wire chopping is our niche and has been now for 50 years,” Jeffrey says. Focusing to keep the company’s wire processing customers satisfied is a full-time management task he says. “We are constantly analyzing every aspect of our process to do it safer, more efficiently, with better yields and lower costs.”

The company sources its wire and cable scrap “from industrial accounts, wire manufacturers, utilities and other recycling companies across the country,” Jeffrey says. “We process every customer’s load individually, assuring accurate reporting and maximizing value to each customer.”

He continues, “It might cost us a little more to do it this way, but long-term customer satisfaction is our goal and something we think pays long-term dividends.”

Jeffrey describes current conditions as “steady, which is a very good thing.” Although 2018 has provided challenges to exporters, Mallin Cos. has in some ways been poised to benefit from that. “We have adjusted our purchasing to accommodate certain commodities that seem to be more abundant due to exporting ramifications,” he says.

Regarding the company’s ability to navigate the new market conditions, Jeffrey comments, “Our team had great foresight back three to four years ago when we designed our new production lines to handle a wider variety of material. It has paid dividends recently, as we can continue to be a consistent buyer for our customers as their stream of materials continually changes.”

Mallin Cos. has been far less dependent on export markets for its copper and aluminum chops in part because of its location near the geographic center of the contiguous United States (approximately 260 miles from it) but also because of conscious management decisions.

“We do our best to sell our finished product to U.S. manufacturers,” Jeffrey says. “It’s important that we support the domestic manufacturing base, including the suppliers of our scrap. We also feel it’s important, when possible, to sell to the dealers that sell to us, helping support them as well,” he adds.

Selling to domestic consumers entails an ongoing commitment to end-product quality Jeffrey says. “Markets for our scrap products [in 2018] have been good, [and] we attribute some of that to the fact that we are so conscious of our quality. We pride ourselves on shipping consistent, high-quality scrap, taking the aggravation out of the equation,” he says.

“We want the consumer to always know that when product comes from Mallin Cos., it is good and right,” he continues. “We take anything less than that very seriously and take every effort to minimize deviations.”

The changes in 2018 were preceded by all the other ups and downs that have affected the scrap market in the past 90 years. Consistent philosophies and approaches to business have helped Mallin Cos. survive through those nine decades and into a fourth generation of company involvement.

Scouting for the high ground

Kansas City, Missouri-based [Mallin Cos.](#) is a fourth-generation family business, and three of those generations can point to involvement with the [Boy Scouts of America](#) organization as having helped form their attitudes toward customer service and managing people.

That organization states its mission is to “prepare young people to make ethical and moral choices over their lifetimes by instilling in them the values of the Scout Oath and Scout Law.”

The Scout Oath includes in part to “help other people at all times,” while the Scout Law states: “A Scout is trustworthy, loyal, helpful, friendly, courteous, kind, obedient, cheerful, thrifty, brave, clean and reverent.”

Mallin Cos. President Jeffrey Mallin says the family’s involvement with Scouting started with his father, Larry, the current chairman of the firm. “Our family has participated and been involved with Boy Scouts, [with] Dad receiving the highest award at the council level for his decades of service.”

Jeffrey himself attained Eagle Scout status, as did his son Zach, a vice president with the company who represents the fourth generation in the family business.

“We all work very hard to live as such, following the Scout Oath and Law,” Jeffrey says. “If we aspire to that, then we have the foundation for treating people with honor and respect and the work ethic to give us every opportunity to be successful.”

Confidence despite the clouds



Jeffrey says his father, Larry's, critical decision to invest in automated wire processing is a result of one of the family firm's core philosophies: constant dialog with customers. "Similar to a lot of decisions we all make in business, our customers help guide our paths as we service their needs," he observes.

"Communicating in a timely manner is critical," Jeffrey says of keeping customers informed as to how their material is progressing through various shipping and processing steps.

Such communication is part of a wider "golden rule" philosophy, he adds. "In other words, like we tell everyone at our company, let's treat our customers exactly how we want to be treated. Do what's right and try to do it better than anyone." Jeffrey attributes some of his family's dedication to these tenets to its involvement in Scouting.

How the overall scrap market will treat Mallin Cos. and its customer base in the rest of this decade and beyond is an unknown set of factors that also requires management attention.

Although Mallin Cos. is less directly affected by China's sudden loss of appetite for imported scrap or by China-U.S. trade disputes, the overarching effects of these new market conditions are of concern to the Mallins.

"Markets have recently shown a lack of momentum and caution due to the uncertainty the tariff situation will have on business," Jeffrey says. "This trade conflict needs some clarification. The uncertainty is taking a lot of confidence out of the economy. We just think the rules need to be in place, so industry can move forward and adjust to whatever the climate and move on. It's very hard to hit a moving target."

Specific to wire and cable recycling, Jeffrey comments, "There might be a period of time when recyclers actually abstain from taking certain streams of material, until the infrastructure and markets are there for them to sell into."

Other clouds on the horizon are joining trade disruptions as concerns to the Mallin family. Jeffrey lists "a labor shortage and wage inflation for industrial positions" as two looming problems. He also cites "the elimination of certain consuming markets for lower grade recyclables, creating an increase in process development for refining some of these items into more refined markets."

A form of wire processing overcapacity could occur in the U.S., he comments. “With the need for immediate solutions, some [business owners and managers] might chase unfounded technology, which could be a costly mistake.”

Although such concerns require attention, Jeffrey expresses confidence that his son Zach will have the opportunity for a long career with Mallin Cos.

Zach, in turn, says he sees his future tied to preserving and strengthening the family business.

“I have been pretty focused on doing this since I was 16, when I started working here during summers, and I pretty much fell in love with what we do,” Zach says.

He says he views recycling as a growth industry and enjoys learning about other companies through his ISRI involvement. Zach says he is trying to stay attuned to “new processing technologies and companies with new techniques” that are prompting industry growth.

“The company is in its fourth generation, something that doesn’t happen very often with businesses,” Jeffrey says. “We are very proud of this, we don’t take it for granted for a minute and credit our success to each generation teaching the next what it takes to be successful. You must invest your time, your knowledge and your money to survive and thrive.”

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