



KAPLAN'S METAL REDUCTION COMPANY, INC.

Four-generation scrap recycling business built on quality customer service

Recycling is a concept that has been gaining momentum across the nation for the last few decades. Yet, for St. Paul-based Kaplan's Metal Reduction Company, Inc., recycling has been a way of life for four generations of family members who have helped lead the highly successful enterprise since early in the last century.

A pioneer in the scrap metal industry since 1915, Kaplan's Metal Reduction Company began operations in Northfield, Minn., with only a horse and wagon before establishing operations in St. Paul in 1929. Today, the company operates a large yard in downtown St. Paul at 355 East University Avenue under the name Metals Recycling Center. It uses state-of-the-art processing equipment and methods to recycle scrap metal from automobiles as well as other ferrous and nonferrous metals. The old horse-drawn wagon sits on top of the company's office complex, showcasing its proud history in the industry.

According to general manager Bob Kaplan, great-grandson of the company founder, more

than half of the Metals Recycling Center's business is environmental processing and packaging for cars, which involves draining all the fluids, then harvesting usable metal. The other part of the business is recovering ferrous and nonferrous materials from various sources. "Ferrous material could be cast iron, sheet iron, unprepared iron. The nonferrous material consists of aluminum cans, aluminum scrap, copper, brass, stainless. We bring it all together and make packages. We'll buy 100 pounds at a time, then we'll turn around and sell 40,000-pound loads. It's really not any different from what my grandfather and his father did," he added. "You put little bits here and there together, make it a package and ship it out."

Today, the strong family business is guided by three generations of the Kaplan family: Bob Kaplan; his father, Harold Kaplan, who serves as president; and Bob's grandfather, Reuben Kaplan, a consultant for the firm after serving as president for many years. Together, they have a total of 111 years of experience in the scrap metal industry.

Turning trash into treasure

As an industrious arrival to the U.S. early in the 1900s, Reuben's father, Hyman Kaplan, developed a business as an itinerant peddler, collecting and selling wares of all kinds. "Immigrants would pick out a territory, buy a horse and wagon, and peddle that little area until they made enough money to move forward," Reuben explained. Hyman immigrated to the U.S. from Poland in 1910. He left a sweatshop job in St. Paul to purchase a horse and wagon from a peddler in Northfield in 1915.

"My dad was really a go-getter, and as a result he did extremely well," said Reuben, who joined the company full-time in 1942. Hyman branched out into the fur and hide business, purchasing goods from local trappers, along with rags, paper, bottles and rubber.

Three generations guide Kaplan's Metal Reduction Company. Standing in front of the company's St. Paul facility are president Harold Kaplan (left); his father, Reuben Kaplan, consultant and former president (center); and Harold's son, Robert Kaplan, general manager.



Once the business was established, Hyman's wife Molly joined him in Northfield. "She worked right alongside my father. My dad would take the horse and wagon and go out peddling. My mother would stay in the house, and our backyard was full of the things we collected that she bought and sold. She really was equal to my father in the business and was a key to its early success."

In 1929, the Kaplans returned to St. Paul with their business and Hyman bought out another dealer in town and operated under the name H.S. Kaplan Scrap Iron & Metal Company, Inc. for many years. "He became the big yard buying from all the little yards and he grew and grew," said Reuben. "When we moved to a site on Shepherd Road in 1965, we were the largest scrap yard west of Chicago. We worked long, hard hours and stuck with it through thick and thin and made it." In 1990 the company moved from its recycling facility along the banks of the Mississippi River to its present location.

Reuben Kaplan, who today serves as the company's "consultant and official historian," became involved in the business before he started school. "Remember the zinc jar covers that we used to have on bottles, with a glass and a rubber ring?" he recalled. "When I was four years old, I had a little hatchet, and my job was to put a hole in it, knock the glass out, then pull the rubber ring and put those in a gunnysack."

Reuben's son Harold also got involved at a young age, joining the firm full-time in 1967 after graduating from the University of Minnesota. Harold's son, Bob, worked part-time at the company during his school years. He joined the firm full-time after earning a degree from the University of Minnesota in 1993. Both Harold and Bob credit Reuben with teaching them the all-important people skills that have made the business successful over the years.

"This is very much a relationship business and you have to be able to deal with people," said Harold. "We have people come in today, believe it or not, who are grandchildren of customers who knew my dad. I credit the building of these long-term relationships with the customer-oriented philosophy we have had in place from the beginning. It's a real credit to my dad and grandfather. We believe that our dedication to high-quality customer service and competitive pricing for recyclable materials has been the key to our success. And we conduct all of our business in a very friendly atmosphere that I think our customers enjoy. For example,



An operator for Kaplan's Metal Reduction uses a Komatsu PC300 equipped with a LaBounty MSD50 shear to cut a tank in the scrap yard.



Kaplan's uses three customized Komatsu scrap handlers in its St. Paul operation. Here, an operator moves ferrous scrap with a PC300 equipped with a magnet.

my dad has always been known to pass out candy and cookies to kids who come through here. He even has treats for the customers' dogs. So it's a really fun atmosphere around here."

For Bob, being the fourth generation in the family business means a great deal. "I take a lot of pride being part of a business that was started by my great-grandfather and operated by my grandfather and father," he said. "My father and grandfather have taught me a lot about the business and I have learned as much from them as I did in college. I really enjoy this industry and the people involved in it. It's really a small fraternity where everyone knows each other.

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New technology increases production

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"We enjoy going to the events sponsored by the Institute of Scrap Recycling Industries and seeing our friends in the industry," added Bob. "When I go to these ISRI meetings, the Kaplan name is well-known. Everybody knows my grandfather and father. They have established a great tradition for the company that we are building on today." Bob has been a board member of the Northwest Chapter of ISRI the last six years and now serves as president of the organization.

Growing with customers

At one time, railroads and heavy industry in the Twin Cities were a source for much of the scrap metal recycled at the operation, Reuben Kaplan said. "We used to get a lot of scrap metal from farm equipment, but today farmers have one machine that does the work of 10 or 12, so there's not as much. The biggest contributor today is the automobile. That segment just keeps growing and growing."

Kaplan's other scrap metal sources come from a wide range of manufacturing companies and machine and metal stamping shops in the Twin Cities. The company has more than 150 rolloff containers used to collect scrap metal at customer sites and transport it back to the company's yard. Kaplan's, which employs 20 people, receives scrap from customers within a 50-mile radius of its headquarters and ships recycled materials to mills and foundries in Minnesota, Iowa, Wisconsin and Illinois. Much of Kaplan's finished product from its automobile

recycling operation goes to a nearby North Star Steel plant, where the material is used primarily to manufacture rebar and steel billets.

"To process materials for North Star Steel, we use an automobile crusher, baler and shear," said Harold. "We preprocess all the automobiles for the shredder at North Star Steel. When it comes to all of the scrap metal we process for the mills, you have to meet their specs. The shear processes for the number one and number two grade metals we recycle and the baler makes square bales for the steel mills."

Over the decades, the tools, equipment and methods used by Kaplan's to recycle materials has changed dramatically. "It started out being tough hand work using tools like a sledge until the first acetylene torch was used," noted Reuben. "Then it evolved into using heavy equipment, going from cable cranes to the hydraulic scrap handlers we have today. So technology has really changed the industry, making it much more productive and less labor intensive."

Custom-built scrap handlers

Custom-built material handlers have made a big difference in productivity for Kaplan's. When the company relocated to its present yard, Kaplan's initially subcontracted out its automobile processing to crush, shear and bale the recycled cars. Then they turned to Road Machinery & Supplies Company and veteran territory manager Denny Hook to supply a large and productive fleet of Komatsu equipment, including purpose-built scrap handlers. Now the yard is all Komatsu, including a new PC300 scrap handler equipped with a magnet. RMS service technicians at the Savage Service Department customized and delivered it this past fall. Modifications included a cab riser and a 20 kW generator housed in the machine's counterweight and protected by a special cooling panel.

The new scrap handler, which has a lifting capacity from 6,500 to 7,000 pounds, is now working alongside two other Komatsu PC300s in the yard — another scrap handler with a magnet attachment and a unit with a LaBounty MSD50 shear. Additionally, the company uses Komatsu WA450-1 and WA450-3 wheel loaders with forks, primarily in the car processing operation. The WA450-1 also is outfitted with a quick coupler so the operator can quickly and easily change attachments.

A Komatsu WA450 with forks makes stacking crushed cars look easy. "Komatsu equipment has worked so well for us and has fit our needs as we have grown," said Kaplan's president, Harold Kaplan.



"We have had a great relationship with Denny and RMS for many years," said Harold. "When we started our own baling and car crushing operation at the yard in 1995, we turned to Denny for a Dresser excavator equipped with a shear. Then we got the WA450-1 wheel loader when we set up our own car-crushing crew. We added more Komatsu equipment because it has worked so well for us and fit our needs as we have grown. We have two PC300s with magnets for unloading customers, moving iron and spreading it out. We use the other PC300 with the shear to cut up the material. Once it's all cut up, we use the magnet to throw it all into the pile and put it in the trucks. The wheel loaders are used for processing cars and unloading trucks as well as moving material around the yard with the forks. We also put the bucket on the WA450-1 to move iron around the yard."

As the Kaplan's fleet of Komatsus has grown, so has their appreciation for RMS's technical expertise to adapt and service the equipment for their unique work. "We've had phenomenal luck with the Komatsus, there's no doubt about that," said Harold. "But the real reason we keep going back to Komatsu equipment is the great service we get from RMS. They have very knowledgeable people who have always treated us very fairly and been there when we need them."

To ensure the large fleet of Komatsu equipment is maintained properly, Kaplan's has RMS service all the machines on a regular schedule. "They do all our service and all our maintenance," said Harold. "They have field service technicians who come to our yard, usually after hours, to do the work. They take great care of us."

The people at RMS who work with Kaplan's also have high praise for the Kaplan family. "There's always a friendly atmosphere toward me and toward the customers, and that's the number one thing," said RMS sales rep Denny Hook. "It's a fun company and very progressive. They have a great reputation in the industry and it has all been earned."

Proud past, bright future

Recycling is a very old idea that is gaining popularity, according to Reuben. "My introduction to recycling goes back to the Bible. What were you supposed to do with your swords? Beat them into plowshares. That's



Kaplan's uses its two Komatsu WA450 wheel loaders for a variety of jobs around the scrap yard, including processing cars, unloading trucks and moving material around the yard with forks.



(Left to right) Kaplan's president Harold Kaplan, RMS sales manager Tom Ernst, retired Kaplan's president Reuben Kaplan, RMS territory manager Denny Hook and Kaplan's general manager Robert Kaplan stand in front of the Kaplan's Metal Reduction Company facility in downtown St. Paul. The wagon used by company founder Hyman Kaplan is displayed on the building's roof behind them.

recycling. Who was one of the people who made America great? Paul Revere. He was a coppersmith and he'd take old copper and beat it into something else. This recycling is not at all new."

As Kaplan's takes recycling into the next generation, they will continue to employ new methods and new machines, while remaining committed to their customers. "We're growing at a nice steady rate," said Bob, "but not so fast that we can't keep everybody happy. Our number-one goal is to keep our current customers happy, and by doing that, new business will come around by word-of-mouth. That's been the key to the success of the company since my great-grandfather founded it."