

Building a pallet shredder business case

How every company can generate £50,000+ profit per year

UNTHA
shredding technology



Foreword

It seems an obvious statement to make, but most organisations invest in a shredder because they have a defined requirement. Usually, they need to reduce the size or volume of their 'waste' materials, turn them into something new, and/or liberate some of the materials that would otherwise remain locked inside a product.

So far, no surprises.

But most businesses must also continually ensure that their operations are commercially viable, so it goes without saying that the numbers for any new shredder investment need to stack up. If it's not affordable – even via a flexible package – the perfect waste handling solution could remain out of reach.

And with a keen eye on economic conditions, it's understandable that most businesses have a sharp eye on their finances – especially at the moment. But our question to the readers of this guide, is: *Are you doing the right sums?*

Because we have, for UNTHA's powerful little PS1300 pallet shredder. And the business case for this innovative machine *really* stacks up.

In this short PDF, we show you exactly how to calculate the average profits you could typically generate from running an UNTHA PS1300. And if you don't believe us when you get to the last page, contact us, and we'll build your business case for you!

We promise you won't be disappointed.

Happy counting!

Marcus Brew, managing director
UNTHA UK

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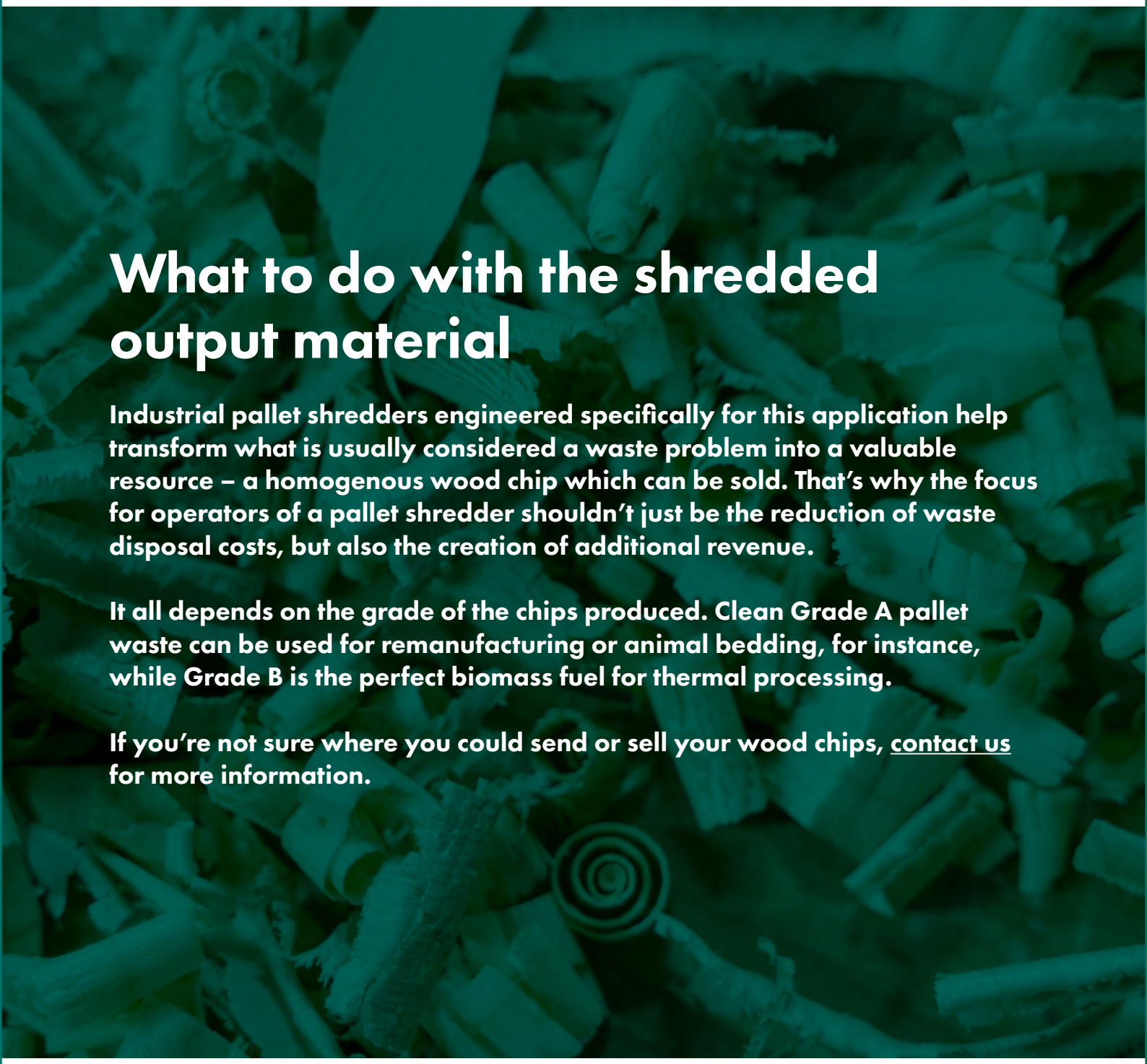
Why shred wooden pallets?

Wooden pallets are a staple part of most storage and distribution facilities, with warehouses, logistics firms, manufacturers and more, relying on these sturdy products to store and move their goods.

While they may be easy to stack, in space-constrained facilities they still take up valuable room, and in some instances, present a fire risk. If the pallets are worn or damaged – and can't be re-used – there is therefore an eagerness to get them off-site.

Selecting a responsible waste contractor who will ensure they are recycled instead of being destined for landfill, is one thing. But these bulky products soon fill skips, which means the ongoing transportation – not to mention the associated waste management fees – can prove costly and inefficient.

That's where pallet shredders come in. Shredding reduces the volume of the wooden pallet waste and optimises the onward logistics of the material – saving money and avoidable environmental impact.



What to do with the shredded output material

Industrial pallet shredders engineered specifically for this application help transform what is usually considered a waste problem into a valuable resource – a homogenous wood chip which can be sold. That's why the focus for operators of a pallet shredder shouldn't just be the reduction of waste disposal costs, but also the creation of additional revenue.

It all depends on the grade of the chips produced. Clean Grade A pallet waste can be used for remanufacturing or animal bedding, for instance, while Grade B is the perfect biomass fuel for thermal processing.

If you're not sure where you could send or sell your wood chips, contact us for more information.



UNTHA PS1300 business case

Here is an illustrative business case example, for a customer operating the standard UNTHA PS1300 shredder with 18kW motor and 30mm screen.

Calculations are based on the following operational data. Very typical figures have been used when calculating the profit-making potential of this machine, so as not to exaggerate the results.

50	weeks/year
5	days/week
8	hours/day
85%	availability
1700	hours/annum
142	hours/month

Input material	800kg wooden pallets (or 32 units) per hour
Output material	30mm homogenous chip

	Item	Unit Price	Hourly	Weekly	Monthly	Annually
	Revenue					
A	30mm shredded chip/tonne	£65.00	£52.00	£1,768.00	£7,366.67	£88,400.00
	Costs					
B	Power kW/hour	£0.18	£3.24	£110.16	£459.00	£5,508.00
C	Labour/hour	£12.00	£12.00	£408.00	£1,700.00	£20,400.00
D	Finance payment/month *	£800.00	£5.65	£192.00	£800.00	£9,600.00
			£20.89	£710.16	£2,959.00	£35,508.00
E	**Minimum gross profit potential**		£31.11	£1,057.84	£ 4,407.67	£ 52,892.00

The price paid for biomass can vary dependent on market conditions. Throughput is an estimate and can be affected by pallet condition, loading and cutter wear.

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UNTHA PS1300 business case

When considering an average rebate value of £65 per tonne of 30mm shredded chip, row A shows the impressive revenue-generating potential of the PS1300, per hour, week, month and year.

But of course the costs associated with running the machine, must be deducted from this total. That said, like all of UNTHA's shredders, the PS1300 has been purposefully designed and engineered to be energy efficient and easy to maintain, with impressive uptime. The whole life running costs of this shredder are therefore very low.

Row B shows the average power consumption, per hour, week, month and year, with row C showing the typical labour costs to run the shredder over the same period.

Row D highlights the cost to procure the PS1300 itself, based on an average fee of £800 per month, over a 60-month term.

Even when these costs are deducted from the revenue total (row A), row E shows significant gross profit potential of more than £52,000 per year. And that's before you factor in any waste disposal cost savings that would otherwise have been incurred if the wooden pallet scrap was collected for off-site recycling.

It is numbers such as these which are causing organisations of varying shapes and sizes, to sit up and pay attention to the UNTHA PS1300. For example, busy, space-constrained warehouses and logistics firms who have never shredded before, see just how quickly the numbers stack up – and of course many are able to improve their environmental and safety credentials too.

It's catching the eyes of industry innovators looking for additional waste streams to process, as well as start-ups who would typically struggle with the capital outlay for such an asset, but can evidence the ROI potential of the machine – especially because it's available via **UNTHA Finance.**

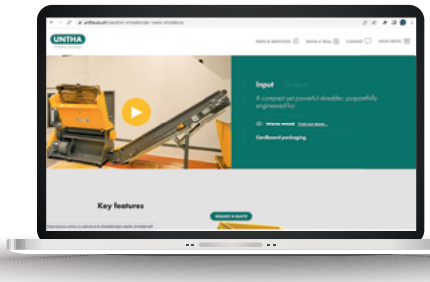
So, if you'd like to talk more about this machine, please let us know.

0330 056 4455
sales@untha.co.uk

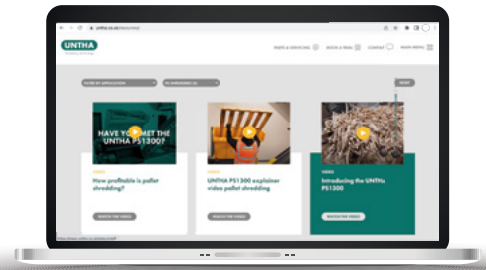


Looking for more UNTHA PS1300 information?

We have lots more information about the PS1300, over on the UNTHA UK website. For example, you can find:



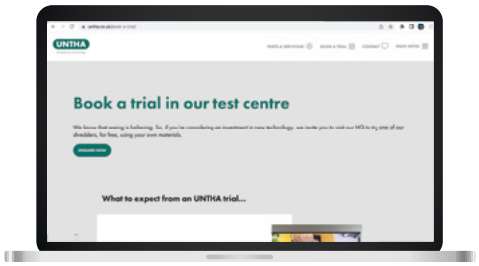
A run-down of the shredder's key features, which make it perfect for this application



A series of demonstration videos, including behind-the-scenes interviews with our own staff, regarding why this is such a popular machine.



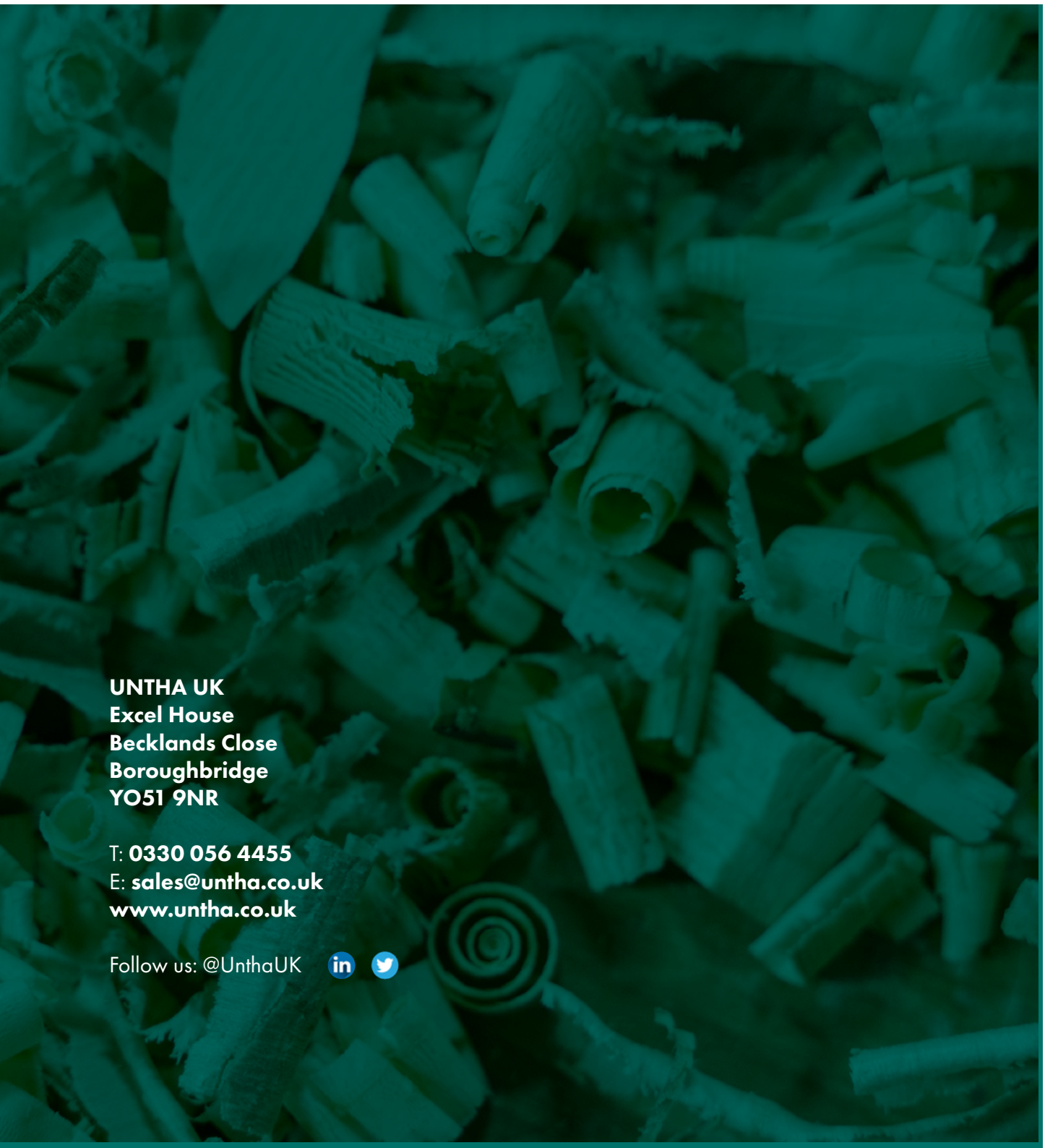
The PS1300 brochure complete with all the technical specification information you could require.



Our 'book a trial' form, if you'd like to try this machine for yourself.

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https://www.untha.co.uk/industrial-shredders/ps-waste-shredders/



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