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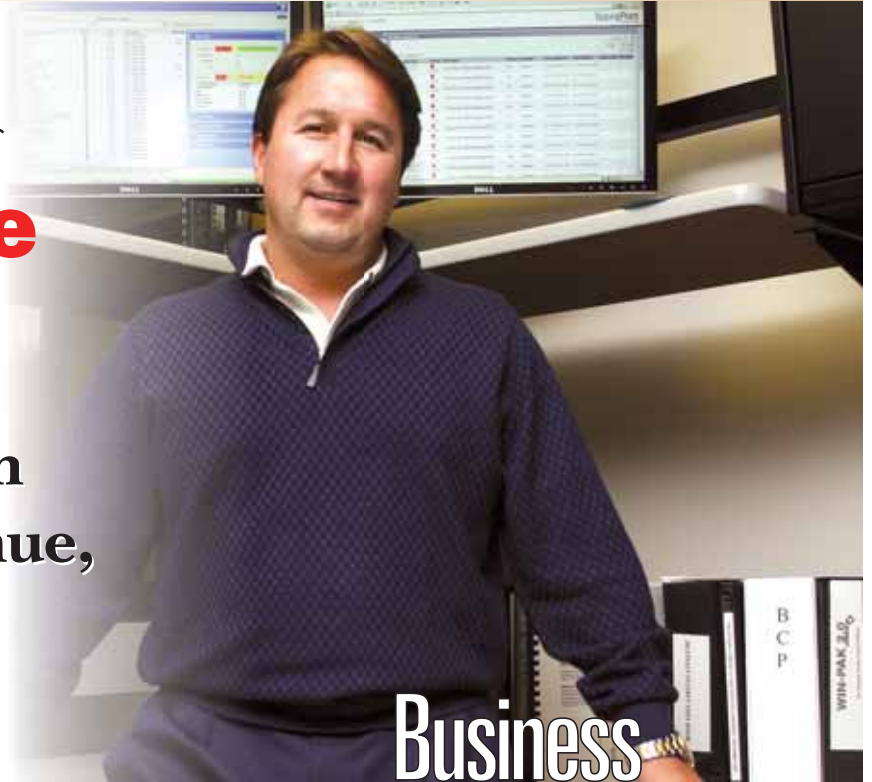
June 4, 2007

BUSINESS CHAMPIONS

176-500 Employees Winner &
Largest Employee Growth Winner

Oakleaf Waste Management

Moving Beyond Trash Collection For Revenue, Employee Growth



Business CHAMPIONS
Hartford Region's Fastest Growing Private Companies

COMPANY PROFILE

By Keith Griffin

Special to the Hartford Business Journal

Oakleaf Waste Management of East Hartford saw its revenue and employment levels jump in 2006. Driving the employment growth was Dumpster rentals and doorstep pickup of trash at condominiums. A 36 percent revenue growth, largest for companies with 175 to 500 employees, came from outside acquisitions and organic growth.

James R. Barnes, the company's president and chief executive officer, is the company's founder and its largest single shareholder in the privately held company. A private equity firm, Charterhouse Group, is the majority owner. "Their investment and continued investment has helped us to get to the next level," said Barnes during a rare quiet interlude.

Oakleaf's growth was also helped by a \$115 million credit facility in 2006 by J.P. Morgan Chase. "It allowed us to get some of the Fortune 500 companies we wouldn't

have got in the past," Barnes said, including Pepsico and GE's diverse holdings from manufacturing plants to television production facilities.

On an annualized basis, Oakleaf had \$400 million in revenue in 2006, according to Barnes. In the first quarter of 2007, Oakleaf added \$40 million in organic business mostly through the acquisition of contracts with smaller retail outlets like Dollar General. The company has 450 employees. It added 90 employees last year through the acquisition of other companies.

No Trash

Oakleaf has always competed with larger trash haulers like Waste Management and Allied Waste, but the difference is Oakleaf doesn't touch a single scrap of trash. It hires small haulers (around 4,000) across the United States and Canada to do the dirty work for it while reaping the profits.

Not hauling trash allows it to better serve its customers, Barnes said. "In my business model, we're never going to get

Oakleaf Waste Management
Revenue Increase: **36%**
Owner: **James R. Barnes**
Location: **East Hartford**
Business: **Waste Management**
Local Employees: **240**

into trucks," he explained. "We're not going to push people out of business. We're not focused on bringing waste to our own landfills. I would just as soon recycle it all. I'm more aligned to recycle than put it in a landfill."

Oakleaf is often the small haulers' "first, second, or third largest customer," Barnes said, which gives the haulers incredible route density. "It's become a great vehicle for these local haulers to get access to national accounts," he added.

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Barnes started the business in May 1995 after working for a regional trash hauler for five years. He saw that companies attempting to consolidate trash collections weren't capitalized correctly and were built on a faulty business model. "They were constantly churning accounts," Barnes said. He saw the potential for an all-in system where retailers, for example, could handle all of their outlets through one central point.

Since starting Oakleaf, Barnes and his investors have acquired 11 companies to further fuel growth. In 2006, it took over two companies that had regional Dumpster rental programs with Home Depot. Oakleaf has taken it throughout North America. Dumpster rentals could push Oakleaf to \$500 million in annual revenues, Barnes predicts, adding that there will be about 15,000 Dumpsters on the market at 2,200 Home Depot stores when the program completes its rollout. That would make it the fourth largest in the temporary

Dumpster market. "It's a pretty big deal," Barnes said.

Business Compact

The company has also seen revenue growth through trash compactors. Instead of renting them from haulers, Oakleaf buys them outright. The company then pays shopping centers rent to place the compactors at their facilities for the exclusive right to all tenant waste. The company has this program in place at 450 shopping malls nationwide. It makes Oakleaf one of the largest buyers and repairers of compacting equipment nationally.

In 2006, Oakleaf also bought Valet Waste, a Florida based company that provides five-night-a-week doorstep trash and recycling collection at apartment communities. It has been voted the number one amenity by condominium owners at the facilities it serves. Property managers like the program because it eliminates the need for multiple dumpsters at a condominium location. Instead, one large compactor (owned by

Oakleaf) can be placed at the development.

Another potentially lucrative market for Oakleaf is its patented "Tire Shark." It takes used tires, presses them flat, and pumps them full of nails so they cannot be resold as used tires. It is now being put to use at Wal-Mart stores in Connecticut and Massachusetts.

Like Oakleaf itself, the Tire Shark is an invention that fills a need Barnes recognized. "Used tires are resold," said Barnes. "And that has led to a lot of lawsuits. And the ones that don't get recycled get burned. This staples it at the source, and eliminates any opportunity to be resold."

Also, Barnes said Wal-Mart welcomes the chance to be a good citizen. "That's why I think Wal-Mart in particular ... they really want to do the right thing," Barnes said, "and they get a guarantee from us that none of the tires end up in the landfill."

And as it turns out, there are "all kinds of applications for recycled rubber." Home Depot shoppers find it in certain brands of mulch. There's that synergy again that makes Oakleaf a profitable company. ■