

Small Business Case Study - Natural Evolution, Inc.

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Natural Evolution, Inc.



An Electronics Recycling Company

Is it conceivable that being laid off can be the best thing that ever happened to you, your state, and for that matter, the environment as a whole? For Traci Phillips, president of Natural Evolution, an electronics recycling company, it's not only conceivable, but it's the precise chain of events that ensued.

"I was laid off, had a baby and started this business all within 45 days," Traci Phillips marvels. When all this happened in 2002, her husband, Chris, also found himself in between jobs. "We briefly considered relocating to the East or West Coast, but that didn't last long," she says. "We were both born and raised in Oklahoma and wanted the same for our daughter, Sable. It wasn't long before we also realized the many advantages Oklahoma offers business owners, as well."

Everyone Has a Story

The initial idea for Natural Evolution was born in the 1980s when Traci's family had owned some early parking meter computers. "These parking computers had been stored for years in my parents' garage. We came across them and began dismantling and creating artwork from them. It kind of gave me the idea for dismantling electronic/computer items and recycling for other purposes," she says.

In the late 1990s, Chris looked into the number of old computers that were not recycled and just tossed out every year. He determined that at the current rate, 250 million computers would be disposed of by 2005. "We also learned the EPA estimates 80% of all discarded computer systems find their way into landfills, which is disastrous for our environment," says Traci. So, the Phillipses buckled down and decided to commit themselves 300% to their new business venture. "We believed in this company and set our sights on reducing the negative impact of computers and electronics on the environment," Traci says. "We wrote up a business plan and budget, took out a small loan, and decided to give it everything we had for six months and see what happened."

That and More

That was three years ago and since then, the company has far exceeded the couple's expectations. In 2004 alone, Natural Evolution helped its clients dispose of more than 3.25 million pounds of electronics - in landfill-free and efficient ways!

"What makes us unique in the industry is that we are also committed to using less energy in our processes and in the ways we transport the machines and materials," Traci says. Today, Natural Evolution is the largest company in the state to offer this unique type of service. As a non-fee based company, it helps clients dispose of their computers and other electronics in the most process-efficient and cost-effective ways available - either reallocating the equipment or de-manufacturing it by recycling the parts and components in completely landfill-free ways. The company's client list includes several Fortune 500 companies, government agencies, schools, and industrial institutions. Natural Evolution started out in 2003 with two employees - Traci and Chris -- in a 1,200-square-foot facility. Today, their staff includes two full-time and three part-time employees and a temporary worker who are located in two buildings comprised of 25,000 square feet.

"We have slowly brought people on," Traci says. "We consider it a serious commitment to hire employees because we want to make sure we can support them and give them an opportunity they'll want to be associated with on a long-term basis."

Oklahoma Roots

Since Natural Evolution first opened its doors in early 2003, the company has extended its services to surrounding parts of the country, particularly New Mexico. So has the question of relocating their business to another state ever arisen? "Of course it has," Traci says. "But, we're not going anywhere. We'll continue to grow our company here in Oklahoma for a number of key reasons including its competitive cost of living and of doing business and its prime location with access to most major highways."

Lessons Along the Way

Despite the best-laid and most extensive plans for launching a start-up business, the Phillipses concede there will inevitably be dilemmas to solve or bumps in the road to surpass. "It's just going to happen because you can't possibly know everything, *except* there will be more bumps to come," Traci says. "But, that's not a bad thing because we are constantly learning from our mistakes and learning to handle situations much better. Naturally, as a company grows, more challenges pop up along the way. For instance, we are still ironing out the transportation logistics to and from some surrounding rural areas in the state. We are working to consolidate our routes to accommodate these companies and individuals in the best and most economical way possible." She continues: "It can be a little scary starting your own business, but it is a decision Chris and I have never regretted, and having the support system and other benefits this state offers have made it just that much better. There are so many reasons to start and grow your company right here. It just makes good business sense. The cost of labor, housing market, food and gas, plus the quality of life we have here in Oklahoma all create an invincible combination."

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