As background my co-founder, John Buchowski, and I are long time technologists. Together John and I have brought to market over a billion dollars worth of solutions at Apple and various other startups. Early last year, we started asking ourselves if the same technology that has disrupted many other industries could be employed to provide a scalable solution to some of the problems we are all experiencing with recycling.

We knew that the problem was large, complicated and multifaceted with no single silver bullet ever being able to provide a solution. But to find out how complex, we talked to dozens of different members of the industry from MRFs, to recyclers, to processors and consumer packaged goods companies.
As we were researching and discussing our ideas, PepsiCo grew excited about what we were planning and provided the funds to get us started towards a pilot prior to raising the necessary VC funds to scale.

So, what was it that Pepsi found compelling? To describe it, I hope you will allow me briefly to discuss some data, which I’m sure you already know, but it does provide the logical backbone on our proposal.
Demand for recycled plastic far outweighs supply, because...

- Demand for RPET: 23B lbs
- Supply of RPET: 1.7B lbs

Despite what we heard on the evening news, there is massive demand for RPET but the lack of good clean feedstock means that real supply is an order of magnitude less than demand. So, why are we not collecting enough feedstock?
“Low US recycling rates ... the result of consumer behavior, access to recycling, system capability, and economics”
McKinsey & Co, 2019

Because consumers don’t recycle if it isn’t convenient and they don’t recycle if there is no incentive for them to do so. Also, the business model is broken meaning that there are no funds for investment upgrades for better infrastructure and greater access.
35% of beverage containers are purchased and consumed Out of Home (OOH). So, an Out of Home solution was an obvious necessity not only to provide a redemption location for CRV but also as a necessary convenience beyond California.
• Obviously such solutions do exist as reverse vending machines. They’re still very heavily used in Oregon but we found them frankly quite grim discouraging mainstream use and adoptability.
• They are overly mechanical leading to frequent and expensive failure.
• The low value business model they employ means that there is little incentive to upgrade them - 40% of the machines we saw were out of service with the one maintenance man we interviewed telling us that they were often down.
The questions we asked ourselves were:

- could we grow the community of recycling consumers by offering greater convenience,
- could we offer them greater incentives to recycle,
- could we design scalable logistics for rapid adoption and
- could we find a new business model to fund it all?
In response to those requirements, this is what we came up with: The next generation of RVM
There is also an associated app to earn, learn, share and fun.
Frankly, we're basing a lot of this on various successful community building and gamified apps like Google Local Guides. Google has used their app to build a 70 million strong army of unpaid volunteers to provide it with over 7M highly valuable Points of Information or POIs a month.
We are also leveraging the paradigm that Bird and Lime have introduced in incentivizing community members to help recharge their scooters. So, our community members with trucks or vans would get an alert through the app that a particular machine needs emptying. They would replace a full cartridge with an empty one and deliver the full cartridge to us for the value of the material. We designed the collection mechanicals to facilitate this.

Multiple collections per trip could be made. So the money a community member could make would far surpass what they make from a similar gig delivery service such as Amazon Flex.
Finally, we realized that the OOH solution would lend itself very well to OOH digital advertising which is a $41b industry and has been growing faster than any other sort of traditional advertising.
In fact, it’s ushered in a whole new type of advertising called function advertising. Startups like Volta use revenue from advertising to offer free electric car charging and LinkNYC offers free city wide WiFi and internet terminals.

We expect that this will generate enough revenue for us to be able to share with the location like grocery stores. We believe that this together with expected sales uplift, will incentivize the locations to adopt the machines thereby increasing recycling availability for consumers.
For rapid reaction servicing and maintenance of the machines, we're working with ServiceFlex. ServiceFlex provides servicing and maintenance for PepsiCo's vending machines as well as for various bank ATMs throughout the US. They maintain machines in over 200,000 locations nationwide.
So what does this all mean for Santa Clara County? According to CalRecycle data, there are 180 designated Convenience Zones in Santa Clara County. However, only 10 of them are operational and are listed as “Served” the others are “Unserved”, “on Hold” or “Exempt”. Actually, many cities don’t have any served Convenience Zones at all.
Our proposal for the pilot is to provide machines in every city that requires them. That’s at least 1 machine in each of the 87 unserved Convenience Zones.
Which would dramatically change the coverage in every city. We would increase total served areas in Santa Clara County from 6% to 54%. It would mean that several cities would go from no served Convenience Zones to partial or complete served Convenience Zones. San Jose would go from a 4.5% coverage to 50% coverage.
The grant does need to be administered by you. Our goal is to make this program a success and we’ll provide whatever assistance and information that you need to make it so. We will provide you with regular data, analytics and metrics to conform with the requirements of the Pilot Program. This should minimize as much as possible your administrative overhead. Also, some of the grant funds can go to compensate on administrative costs.
• Consumers would get the convenience and added incentives they need
• Locations would get incentives to comply with CRV regulations and a way to maximize the ROI on their real estate
• Brands would get a way to mitigate the problems they cause, as well as a way to connect with consumers on a positive message
• And, Santa Clara County would dramatically increase locations that consumers could recycle and redeem CRV.
If this all sounds good, the next step would be to work together to apply for the grant from CRV.
QUESTIONS?

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THANK YOU!