

Doing well while doing good

Recycling cell phones proves profitable

BY IAN KATZ
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At first glance, **GRC Wireless Recycling** would appear to be a nonprofit environmental group disdainful of big business.

The Miramar company buys used cell phones, many of them from shelters for battered women and the homeless, for recycling. If disposed of improperly, materials in cell phones can pollute water supplies and harm wildlife.

But founders Henry Garcia, 48, and Marc Leff, 36, are businessmen to the core who started GRC three years ago because they saw lucrative opportunities in selling used phones in developing countries and in stripping out the precious metals in cell phones.

"First and foremost, we started this as a business venture," Leff says. "But you sleep well at night knowing that you're doing a good thing."

A visit to GRC's warehouse off Florida's Turnpike is like a walk through cell phone memory lane. Boxes are filled with up to 700 models, from the 1980s Motorola brick phone to Samsung flip models.

Garcia says GRC has been profitable since six months after it was established. He expects revenue of \$4 million to \$5 million this year, up from \$2 million last year.

GRC pays \$1 per pound or more for used handsets, but asks for a minimum of 30 pounds. Smaller quantities can be donated to antidomestic violence groups, which collect the phones to sell to GRC through its Shelter Alliance program (shelteralliance.net).

Women in Distress of Broward County, which helps battered women, says it has made \$35,000 in the past 18 months.

GRC's opportunity exists because Americans obsessively upgrade their phones.

"It's a great business model because the cell companies put out new models almost month-



PHONE GRAVEYARD: Marc Leff, left, and Henry Garcia, co-founders of GRC Wireless Recycling move thousands of phones through their Miramar warehouse. Staff photo/Robert Duyos

GRC WIRELESS RECYCLING

Business: Buys used cell phones and resells them to distributors in developing countries. Also sells cell phone parts, which are melted down for their precious metals.

Where: 11551 Interchange Circle South, Miramar

Owners: Henry Garcia and Marc Leff

Established: 2001

Revenues: \$2 million in 2003

Employees: 15

Advice: "You're going to stumble and make mistakes, but you can't let that stop you," Henry Garcia said. "Find a way to profit from your mistakes. Persistence is a key element."

ly," says Jason Giovannetone, co-owner of **Cellular Expansion** of Van Nuys, Calif., which sells phones to GRC.

About 150 million wireless

phones are in use in the United States and being replaced, on average, every 12-18 months. At least 100 million cell phones will be retired this year. Many will be tucked away in drawers, waiting to be thrown away.

Those that can be refurbished, GRC sells to buyers who resell them in Latin America and other developing regions. Garcia would not disclose how much GRC receives on average per phone.

Phones in poor condition are sold to smelters that recover the metals on the circuit boards. The most common cell phone metal is copper, but gold, silver, and palladium are also used.

Garcia and Leff were both working at phone distributor **CellStar Ltd.**, which has its Latin America headquarters in Miami, when they came up with the idea for GRC, which originally stood for **Global Refur-**

ishment Corp.

"We knew there was a lot of demand for the used product in Third World countries, especially Latin America, our area of expertise," Garcia says.

GRC's next goal is to grab a contract buying used phones from one of the major manufacturers or carriers. The company's toughest competitor, aptly named **ReCellular Inc.** of Dexter, Mich., handles four times as many phones.

Garcia points out that all recyclers combined are recovering and recycling less than 8 percent of all used cell phones. That leaves Garcia and Leff a lot of room to keep growing and to make more money — and while they're at it, to do something good for the Earth.

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