Q&A: Green for the Planet and Your Pocket

Lindsey Jahn, Associate Editor, Food Manufacturing

Interview with Tom Burton, Executive Vice President of Liquidity Services, President of Capital Assets Group

Many food manufacturers are looking to increase operational efficiencies while maintaining their sustainability efforts, which can pose a tough challenge. *Food Manufacturing* spoke with Tom Burton of Liquidity Services [1] about how companies can utilize the “reverse supply chain” to help cut costs and improve their sustainability initiatives.

Q: What challenges do food manufacturers face when trying to cut business costs?

A: One of the primary challenges facing food manufacturers as they confront the sluggish U.S. economic growth is the cost of capital equipment. Traditionally, equipment lasted 15 or 20 years, but those numbers have decreased by 25 to 50 percent, primarily due to increasing innovation in products and product packaging, translating into more rapid changes in equipment for new packages and processes. This pressure to innovate to meet consumer packaging demands significantly narrows the options for food manufacturers to cut costs.

Many manufacturers are opting instead to purchase equipment through online marketplaces, such as Go-Dove.com [2], at a reduced cost rather than making large expenditures to purchase brand new equipment, which would have to be replaced in a number of years when needs change again. Food manufacturers also use the online marketplace for immediacy by buying good pre-owned equipment today rather than waiting up to 26 weeks for new equipment to be built at the OEM.

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