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The CEO Magazine
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LEANER and GREENER

Paprec Group is investing in innovation to develop cutting-edge recycling technologies and build a greener future for our planet.

Images courtesy of Paprec Group

In 1995, Jean-Luc Petithuguenin went from managing a staff of 15,000 people at France's national water company Générale des Eaux, to running a small paper-recycling company with 45 employees and a €3.5 million turnover. To an outsider, this might seem like a step backwards, but for Jean-Luc this was the first step on his journey towards building a billion-euro enterprise.

"I graduated from ESSEC business school in 1979. Since then, I have always worked for industrial companies, and in 1990 I joined Générale des Eaux. After this experience, I decided to take over and run my own company, and that's how the adventure of Paprec started."

Today, Paprec Group has grown to be the French leader in recycling, with 4,000 employees and a €1 billion turnover. The company processes 6 million tonnes of recycling annually, producing more

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than 5 million tonnes of raw material from recycling for re-use. By driving innovation, Paprec Group has refined and improved its techniques for recycling plastics, batteries, industrial waste, and electronic waste.

Ever the entrepreneur, Jean-Luc also established Helios, back in 2000. This company has grown to become a leader in road markings in France. Jean-Luc expertly balances his roles as president of Helios and CEO and managing director of Paprec through delegation, prioritisation, and effective time management.

"My time is mainly focused on my duties as CEO and managing director of Paprec, because that company has 4,000 people and turnover of €1 billion. Helios only has around 400 people, with a turnover of about €70 million, so I only dedicate about two days per month to my leadership of this company in my role as president."

Paprec is widely recognised for its enviable track record in innovation and growth. Jean-Luc sees these two focuses as going hand in hand in his aim to establish Paprec as a world-leading recycling company. "The main way Paprec works to impact the future of recycling is through investment. We invest something like €900 million in our plans out of our €1 billion turnover," Jean-Luc says.

Jean-Luc is resolute about the importance of research and innovation in realising the company's vision. As a result, he must leverage his management expertise to create value for shareholders. "The biggest challenge for Paprec has been to raise money. If you invest €900 million, you need to find money from your bank for your shareholders. Now, I am working on an idea to acquire high-yield debt, to raise that extra cash."

"I think that the key to the future of recycling lies in investing, and of >





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course if you invest, you have to focus on innovation. We have a lot of research and development going on in Paprec, because it's not so easy to recycle everything, especially when it comes to recycling plastics.

“We now have labs in each of our recycling plants. We have something like 12 plants in France, and we conduct a lot of research on the recycling of plastics, in order to be far ahead of our competitors.” Indeed, the fact that Paprec leverages these forward-thinking research and development techniques to compete against industry heavyweights Veolia and Sita is an achievement in itself.

“Veolia and Sita are both leading companies in the world for environmental management and engineering, and they do a lot of work in water, incineration, transportation, and more. In contrast, Paprec is only focused on recycling. So, the main difference between Paprec and its competitors is that we focus on convincing everyone to recycle their waste, and we have facilities dedicated solely to recycling.”

This focus on recycling has afforded Paprec the opportunity to expand, develop, and apply its expertise in new markets. “At the beginning of the 90s, we were one of the few companies that put down a footprint in China, and we worked hard to have many clients there. After that, the rest of the world discovered that China wanted to import a lot of raw materials, because they don't have them there already.

“We have more than 200 different clients in China, in both plastics and paper, and now also for copper and iron. So we have been very successful in China, and I think about 20 per cent of the turnover for Paprec Group now comes from China.”

According to Jean-Luc, one of the secrets to Paprec's success lies within the diversity of its staff. “I really think that on a long-term basis, the respect you give to your people is key for them to be



happy to work with you. I am very focused on diversity, and we have people of all ages—young and old—as well as women and men, some people with great degrees, and some people who have no degrees.

“There are people of about 56 different nationalities within my company, and in the end I think it's a great workforce. I gave all of these people a chance to work and prove that they are the best for the job, and I think that was one of the keys to the success of Paprec: the incredible diversity of these people, who all want to build a new world, where we are greener and more kind to the planet.”

With such a diverse team united together behind Jean-Luc's vision for a greener future, it's not surprising that Paprec has never had any trouble attracting business. In an industry where suppliers are also customers, Paprec is able to couple great services with a strong business case to consistently maintain strong business relationships and attract new partners.

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“I have about 200 people in my sales force, and we are connected with all our suppliers, and we have very good relationships with them. They have one problem: they have to dispose of their waste. We try to do our best to solve their problem. It is key for us to help them to dispose of their waste in the right manner, and in accordance with the law. If you want to get rid of your waste, you have to respect European rules, and also country-specific rules, and we take care of all of that for our suppliers.”

Jean-Luc Petithuguenin and Paprec Group have both been honoured with numerous awards for industry leadership. “In 2012, I was chosen for the national Ernst & Young Entrepreneur's Award. We were very happy about this achievement,” Jean-Luc says. “Over the years, Paprec Group has accrued something like 20 different trophies, in recognition of our achievements.”

Paprec's most recent awards include the Défis RSE's 2014 Trophy for Gender Equality, the Diversity Conseil's 2013 Trophy for Diversity, the ESSEC Grand Prize for Sustainable Management of Activities (in collaboration with Lapeyre and Saint Gobain), the 2013 Trophy for the Leaders in Finance, and the 2012 Papyrus Prize from the Bureau of International Recycling. Yet even with all these trophies in the cabinet, Paprec Group's glory days are still ahead of it. •