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MINDING YOUR BUSINESS

Green companies growing

Ecological strategies help businesses find new sales, attract more customers

By Ann Meyer
SPECIAL TO THE TRIBUNE

Green is the new gold for OMI Industries, maker of an odor neutralizer for factory emissions that has parlayed its all-natural product into a hit with eco-minded consumers.

The company's Fresh Wave line of odor-eliminating sprays, candles and crystal gels is ringing up about \$12 million annually from sales at Ace Hardware, Whole Foods and other specialty stores, said Philip Coffey, OMI's managing director.

"We're a green company in a world going green," Coffey said, noting the products are made from a blend of natural ingredients including soya and water, as well as aniseed, clove and cedar extracts. Instead of masking odors with a scent, Fresh Wave's technology destroys the foul-smelling molecules, Coffey said.

With annual consumer sales doubling about every eight months, Coffey expects the retail line to become the company's main business by 2010.

Not bad for an industrial manufacturing company that didn't know a thing about consumer marketing prior to the brand's 2003 launch. OMI's original industrial product coats the stacks of manu-

facturing plants to eliminate odors before they are released.

Sustainability issue

Increasingly, Chicago-area companies are going green as environmental sustainability becomes an important business consideration, experts said.

"Manufacturers are finding it's important to their customers as well as their communities," said Riyaz Shipchandler, process engineer at the Illinois Department of Natural Resources' Waste Management and Research Center.

"With all of the talk of climate change, they are looking at what role they can play at being part of the solution as opposed to being part of the problem."

In Elgin, Rieke Office Interiors embraced ecology in early 1992 by reselling and refurbishing used office furniture, said Chris Matus, president of the company, which also is a green manufacturer of new furniture. "Customers would say, 'That's good to know, but it's not a reason why I buy,'" Matus said, noting price was the driving force. "Now it's like, 'What are you doing that's green?'"

Despite the green movement, used office furniture today is a harder sell than it was 15 years ago because the price gap between new and used furniture has narrowed considerably, Rieke said.

To give its customers more options, the company saw a need for affordable, custom office furniture manufactured locally. It uses fabric panels made from recycled ma-

terials and particle board made from preconsumer waste, wheat board and sunflower seed hulls.

What's more, being a local manufacturer in a sea of foreign competitors appeals to green architects and designers in the area, Matus said, noting that revenues have grown to \$15 million, from \$7 million five years ago.

"By doing good, you can do well," said Todd Rieke, chief executive of the 70-employee company, who has eliminated the need to commute by living on the premises. "The whole thing about green is it doesn't really cost. It saves."

When the company outgrew its 80,000-square-foot facility, it relocated to an existing 150,000-square-foot building constructed with Solarcrete walls, which use a foam-block system for maximum insulation. By adding a higher-grade roof and installing new lighting and energy-efficient heating and air conditioning, the company has kept a lid on energy costs.

Customers drive

Environmentally conscious customers are driving change at Garvey's Office Products in Niles, where the number of green office supplies has been climbing 15 percent to 20 percent a year, said Kevin Garvey, vice president of sales.

The \$30 million company released its first dedicated green catalog of about 1,000 products. "This is a big push," he said.

The company also stressed energy efficiency for its new 85,000-square-foot warehouse, where the

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—Todd Rieke, chief executive of Rieke Office Interiors

lights are equipped with motion detectors. As a result, its energy bills are similar to its former 30,000-square-foot facility, Garvey said.

Urban sprawl effect

OMI also is expanding to keep up with demand for its green products. The company plans to complete construction next month of an 18,000-square-foot manufacturing plant in Rising Sun, Ind.

When the company was launched in 1989, it was ahead of its time, Coffey said. "For the first five years, we thought we'd go broke before anyone understood," he said.

Then the major oil companies took an interest as suburban development encroached on their once rural refineries, prompting complaints about the stench from their plants.

"Urban sprawl really launched our business," Coffey said. "All of a sudden, our very simple, very green technology took off." OMI's commercial product Ecosorb is in use in 30 countries.

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