

learn

1 in 10

UK students is unable to find a job when they leave university



30%

less is spent by offspring on Fathers' Day than Mothers' Day

SOURCES: HIGHER EDUCATION STATISTICS AGENCY/IWOOT.COM

Waste not...

ENTREPRENEURSHIP

How a young businessman made a success of turning trash into cash

While some entrepreneurs discover their business plans unintentionally contain excrement, Tom Szaky's was designed around the material. Worm dung, in fact. Inspired by success his friends had using red wiggler worms to process compost and feeding the result to plants, Szaky felt there could be a business in commercially producing and distributing a product he would call 'Worm Poop'. Emboldened by taking fifth place in the Princeton Business Plan Contest, he quit Princeton after two years to form TerraCycle and devote himself to delivering Worm Poop to households everywhere.

THE SMELL OF SUCCESS

With \$20,000 – the proceeds of Szaky's bank accounts and credit cards – he purchased a worm gin and began shovelling Princeton University's food waste into it to feed an ever-growing colony of worms. A worm can consume twice its body weight each day, so Szaky was soon up to his knees in product. Committed to a fully sustainable offering, he packaged his prized Worm Poop in paper bags and took it to gardening stores inviting them to stock it. The response was that the product looked good, but the aroma was not consumer compatible.

RECYCLED IDEA

The answer already existed: plastic bottles. The product was made from waste, so why not the packaging as well? Szaky developed a process to mix his

Worm Poop with water, strain out the solids to leave a nutrient-rich liquid, then fill recycled bottles with it and seal them with waste spray tops. The idea was so good that Szaky took top honours at the Carrot Capital Business Plan Challenge in 2003 and a prize of \$1m in investment. A good thing, as TerraCycle had only \$500 in the bank at the time.

COMMITTED TO WASTE

For some entrepreneurs, this defines the moment of success: validation of an idea combined with the financial resources to make it happen. For Szaky, it was a defining dilemma. The investors wanted to direct TerraCycle into plant foods without the eco-friendly mission. Szaky refused the investment. Instead, he redoubled his efforts with big retailers and brought in a more benevolent form of capital. Revenue. By 2004, Wal-Mart and The Home Depot stocked his products in Canada, and he was negotiating to expand into the US.

UPCYCLING

Under Szaky's direction, more and more trash fed more and more worms which fed more and more plants, and, with Americans throwing out 2.5



The worms turneth
TerraCycle's Tom Szaky (below) turns waste matter into commercial products

million plastic bottles an hour, packaging was also readily available. As TerraCycle grew, Szaky saw opportunities everywhere. Trash was something to be 'upcycled' into an offering more valuable than the original product. He started with seed starters and potting mix, made from and packaged in waste. Then he offered the Urban Art Pot, made from electronic waste. Then came plastic products, from kites to clipboards, all completely recycled. Partnerships with Target, Wal-Mart, Nabisco and Kraft have now closed the cycle. Today, these firms participate in 'Sponsored Waste' programmes where TerraCycle pays 'Brigades' of consumers to collect used packaging manufactured by and distributed by these firms,

which TerraCycle turns into new products. And money. In 2009, the firm made \$10m in revenue, and expects to expand revenues and geographic presence significantly in 2010.

LEARNING FROM TRASH

Szaky teaches us that opportunities are more a function of what you already have than a function of convincing a venture capitalist to invest large sums in your business plan. And that there are resources other people are paying to get rid of today that can form basis of new and valuable offerings. While building a business on trash might not top the glamour charts, it also offers one more lesson: that the word sustainability can apply equally to the business and to the planet when spoken by an entrepreneur. ●



details

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