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Demand skyrockets for organic hand sanitizer

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On April 20, senior managers at EO Products in Corte Madera met to review sales levels for the month. The maker of organic personal care products was at 80 percent of projected revenue.

Within a week, sales had unexpectedly tripled, thanks to one product: the company's organic alcohol-based hand sanitizer.

The appearance of swine flu had created a health emergency, and both the Centers for Disease Control and Prevention and President Obama were endorsing alcohol-based hand sanitizing products to help contain the contagion.

For EO Products, started 15 years ago in a garage in San Francisco's Potrero Hill neighborhood and still run as a family business with lofty ideals, meeting the increased demand was an opportunity and a challenge. It made EO's founders revisit fundamental questions of how big and fast the company should grow.

"You want to rise to the occasion, but you also want to make the right choices," said Susan Griffin-Black, a practicing Buddhist who is the co-founder and co-CEO of EO Products. "You ask yourself whether you want to pay an extra \$10,000 to rush and fly things in. You ask about the greater good."

The company, which operates out of a 22,000-square-foot warehouse and had \$8 million in revenue last year, has created the only hand sanitizer made from organic alcohol now on the market. Most hand sanitizers, such as those by Purell, are from synthetically derived alcohol.

"As the orders, calls, and e-mails started to pour in, we had to figure out where to get more organic alcohol," Griffin-Black said. "We called all of our friends in the herbal tincture and supplement business and gathered small amounts from

friends in the industry. We did rise to the occasion, and we did so without getting crazy in our response."

About 75 percent of orders for their hand-sanitizing wipes, sprays and gels were expected to be filled by Friday, said Griffin-Black, standing in the Corte Madera warehouse as machines whirred and workers checked bottles.

EO co-founder Brad Black - he and Griffin-Black are no longer married but are co-CEOs - said the hand sanitizer is one of the company's nearly 100 products. The sanitizer hit the market two years ago, and is better than nonorganic sanitizers, according to Black, because its alcohol is derived from sugarcane and is biodegradable.



No chemicals

"We were the first to market with hand sanitizers in the natural food industry," Black said. "We made this because we saw the hand sanitizers that were out there contained heavy chemical compounds."

Whole Foods Market Inc., which began carrying EO products in its Mill Valley store in 1997, says the company's

soap and hand sanitizer have been top-selling products for years. But sales during the first week of the swine flu outbreak were five times greater than during a normal week, according to Shoshana Friedman, the regional coordinator for Whole Foods' body products division.

Other EO (which stands for essential oils) products range from bubble bath and shaving cream to foot balm and a rose geranium hand soap.

Friedman said, "We have special memories of the time EO invited our regional buyer to come to a local organic farm here in Northern California, where she harvested rose geranium which went into a batch of liquid hand soap."

Touring the warehouse, where 30 55-gallon drums filled with organic alcohol are stored (with an additional 20 drums arriving next week), and delicate and fragrant essential oils are contained in liters, Black and Griffin-Black spoke of the challenges of building a profitable company while remaining committed to green business practices.

To illustrate just how expensive and delicate essential oils used in their products are, Black lifted a liter of rose oil. It takes 1 million petals to make the one liter, which is valued at about \$800, he said. In addition to relying on high-quality ingredients, EO is committed to recycling. All of its bottles are made from recycled plastic.

Since starting EO with one product - a lip balm because it was easy to make - they have tried a variety of products. Some did well, and others flopped.

"Our business is growing consistently by about 25 percent a year," Griffin-Black said. "Our focus is really on building the business with our current customers, and on improving those relationships."

Black said, "One of the lessons we've learned is that your business isn't successful until the customer comes back and buys something a second time."



Wary of chains

While their products are now sold in mainstream stores including Safeway and Longs, Black and Griffin-Black are wary of working with too many big retail chains.

"It's tyranny of scale," said Griffin-Black, who focuses on product distribution and finance while Black oversees sales and marketing. "We are at capacity in our warehouse. What's the incentive, really, of growing? I think our incentive is to be really mindful of the work we do."

They recently introduced a chocolate and mint body lotion, and an unscented lotion. They are getting ready to market a new hand sanitizer, a packet of 10 wipes made from sustainable bamboo.

"Our objective is to lead our business the way we lead our lives," Black said. "To be certified organic. To always donate products and money to charities. To manufacture in southern Marin."

"I guess that means we're a little bit different, a little bit crazy."