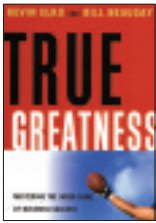


TOOLBOX

BOOKS



True Greatness: Mastering the Inner Game of Business Success
 By Kevin Elko and Bill Beausay

In the business world, sports analogies abound. "Fourth and goal," "slam dunk" and "home run" are staples of boardroom banter. "True Greatness" follows in the vein of the sports/business relationship by teaching readers to follow their own path to be the Michael Jordans of their industry.

Elko and Beausay's book is largely motivational, but is written in a way that any competitive, sales-oriented person will identify with.

Elko, a human performance consultant known for his work with sports teams, and Beausay, a Houston-based author and trainer, put forth a five-point plan to achieve success: Discover and tap into your true passions; point yourself toward a growth-oriented process; reach out for positive encouragement; inspire yourself and others; and live life in the "selfless zone."

Written with a heavy dose of "go get 'em" football bravado, this book makes a convincing argument for the businessperson looking to become a high achiever in their field.

AMACOM
 \$17.95
 ISBN: 978-0-8144-1301-2

SEMINARS

Tech Connection
 January 28, 5:30 to 8:30 p.m.
 The Houstonian Hotel

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INSIDE

GROWING PAINS 17A
 THE HUMAN ELEMENT 18A

Keeping bugs at bay

Switch to direct sales helps natural pesticide company swat competition



Charlie Tuft, left, and Dave Glassel of CedarCide Industries: Boosting demand for 'green' alternative to chemical products.

BY BRIDIE ISENSEE
 SPECIAL TO HOUSTON BUSINESS JOURNAL

Who knew that roaches could be so scared of a little whiff of cedar?

A 17-year-old Houston-area company has capitalized on this natural phenomenon and is making a killing on cedar-oil based products used as an organic alternative to conventional chemical pesticides.

Based in a 20,000-square-foot former laser-tag center on busy Spring Cypress Road, CedarCide Industries Inc. manufactures about 30 different labeled cedar-oil products that are sold directly to customers worldwide, rather than through retail outlets.

After working through some unexpected regulatory hurdles in the mid-1990s that briefly shut the company down, some strategic shifts helped reboot CedarCide's sales efforts over the past 10 years. In 2008, CedarCide reported about \$2.5 million in revenue, but that figure jumped one and a half times in 2009 to approximately \$4 million, and now the 21-employee company is looking to expand its production capability.

"We are a little mouse that roared, and we have to prepare ourselves for continued demand for green products," says Charlie Tuft, the company's international marketing director.

Although CedarCide emerged as a pioneer in the budding green industry, it actually got its start long before that color enjoyed its current business cachet.

The company was founded in 1992 by entrepreneur Dave Glassel, a self-described "old Wisconsin farm boy." Glassel has no formal education or background in organic science, and in fact, does not hold a college degree. But he has had success as an entrepreneur.

During the 1970s and 1980s, Glassel built two successful enterprises in different industries — a tractor supply company and a truck stop. In 1975, Glassel founded Southern Tractor Corp., which he sold for \$8.5 million after 10 years. He then built up sprawling, eclectic Ronnie's Truck Stop on a 300-acre site in The Woodlands. According to Glassel, it was one of the world's largest truck stops in its day with 28 businesses, including a hotel, doctors' offices, a Laundromat, and bingo parlors.

But by 1991, Glassel found himself in bankruptcy court. Four years earlier, an arsonist started a deadly fire in the truck stop's hotel that claimed the business and two victims. The timing was unfortunate in several ways, including the fact that it happened during the infamous savings and loan crisis, so hopes of rebuilding diminished as bankers and insurers were reluctant to fork over any money, Glassel recalls.

"I just went broke," he says.

But this self-described "entrepreneur of all time" wasn't about to bow out of the game. From his garage he began a business manufacturing cedar bird and bat houses and cedar chests.

It was an enterprise that Glassel could only self-finance at the time. Eventually, demand started picking up as Glassel sold the products to large retailers such as Wal-Mart Stores Inc. and Furrow Building Materials, as well as mom-and-pop feed stores and plant nurseries.

Production of the bird and bat houses inadvertently led to Glassel's discovery of the pow-

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STRATEGIES

CEDARCIDE: Company expects to double capacity to keep up with product demand

FROM PAGE 15A

er of cedar as a natural pesticide.

To make the bird and bat houses, a large hole was drilled through the cedar. These cedar shavings quickly piled up in Glassel's yard. Glassel curiously noticed his German shepherds diving into the shavings pile and burying themselves until only their noses stuck out. They would then emerge, shake off the dust, and be happily flea free, Glassel says. At that point, the businessman realized his dogs had created their own cedar chip flea dip because the animals stopped itching and scratching.

Glassel decided to package the cedar granule waste product and sell it as flea control. An employee at a Wal-Mart in Pasadena became a loyal customer, and the store started carrying the product.

"Wal-Mart is the one that really started me on the whole thing," Glassel says.

The product was known as CedarCide granules, and the fine sawdust could actually be applied to people and animals as bug repellent. Before long, other big-box retailers and grocery stores such as Lowe's Cos. Inc., The Home Depot Inc., The Kroger Co., and Albertsons LLC began carrying the product. Glassel was soon selling 500,000 bags of the cedar puffs a year.

SURVIVED SETBACKS

Still, he concedes there were certainly setbacks along the way. At one point, the Environmental Protection Agency forced CedarCide to take the cedar granules off the market. The EPA told Glassel that he could not sell a pesticide without registering the product.

The road to product registration would have been long and would have carried a hefty price tag. Testing alone might have cost in the ballpark of \$500,000, so the company ended up shutting down for five months.

Fortune unexpectedly smiled on CedarCide when, in 1996, the Minimum Risk Pesticide regulation waived federal registration requirements for pesticides whose active ingredients are natural products, such as castor oil, linseed oil and cedar oil. This cleared the way for CedarCide to once again sell its perfumed pesticide. At that time, the company was still selling the bird houses and bat houses, mitigating the impact to the overall bottom line.

By 1998, however, selling the cedar shaving waste product had become more profitable than the bird and bat houses, Glassel notes, so he decided to discontinue the company's original product and focus solely on the bagged cedar granules.

Since then, CedarCide's business plan has evolved according to customer demand, but cedar-oil based products remain the heart of its operations. In the late 1990s, Glassel teamed up with agricultural guru and radio personality Ben Oldag to create a water-soluble cedar-oil concentrate. After four years, the duo came up with Pest Control Operator Choice, otherwise known as PCO Choice.

Because cedar oil has wide applications, the company manufactures a similar product under various labels, to sell into multiple applications, providing a nontoxic alternative for agriculture, wood preservation, animal health, human health and indoor and outdoor pest control. The com-

CEDARCIDE INDUSTRIES

BUSINESS: Organic solutions for pest control, wood preservation and animal health.
YEAR FOUNDED: 1992
KEY EXECUTIVE: Dave Glassel, president and CEO
Employees: 21
2008 REVENUE: \$2.5M
2009 REVENUE: \$4M
WEB SITE: www.cedarcidestore.com

pany's trio of top-selling products include PCO Choice for pest control, Best Yet for bug repellent and CedarShield Deck Dock and Fence for wood preservation.

"People come to us because they've already failed with chemical pesticides," says marketing director Tuft.

SELLING ONLINE

Several years ago, the company made the decision to withdraw from big-box retailers and sell directly to the customer. The big-box model just wasn't working for the company, Tuft says, so by focusing exclusively on online sales, CedarCide can offer a lower price by cutting out the middleman. The Best Yet product, for example, sells online for \$75 per gallon, but retailers have to sell it at almost double that price. Exclusively through its Internet fulfillment center, CedarCide sells products to customers in all 50 states, China, Taiwan, Australia, New Zealand, Hungary and other European countries.

"Being an online entity, we can reach many more people than in 5,000 big-box retailers," Tuft says.

Glassel's next move is figuring out how he will keep up with demand. He says he is considering investment proposals, some he claims are as large as eight figures, to sell CedarCide's marketing rights while retaining the company's proprietary information.

"Obviously, we're in the right place at the right time," Glassel says. "This is bigger than we are."

The company manufactures its own cedar oil at a production facility in Leakey in the Texas Hill Country. This location is a prime spot to buy cedar fence posts and stumps abundant throughout the area from independent cedar choppers, according to Glassel. From the Hill Country, the cedar oil is shipped to the Houston-area warehouse, at which the oil is formulated, bottled and packaged. To keep pace with demand, plans are under way to double capacity with a second 20,000-square-foot production facility.

A former employee who worked at CedarCide for 10 years says it was surprising how quickly the company's products took off. Dayton Denton was involved as a liaison with state agencies to clear the products for sale, and then worked to convince potential customers who were used to traditional pesticides to switch to their product.

"It's amazing. Customers come from all over the country," Denton says. "Friends tell friends. It's a lot of word-of-mouth."

As for Glassel, he says that he's on a mission — to deliver a nontoxic alternative to pesticides, such as the commonly used chemical known as DEET.

Says Glassel, "This is something that the world needs."

BRIDIE ISENSEE is a Houston-based freelance writer.



NOMINATIONS FOR 2010

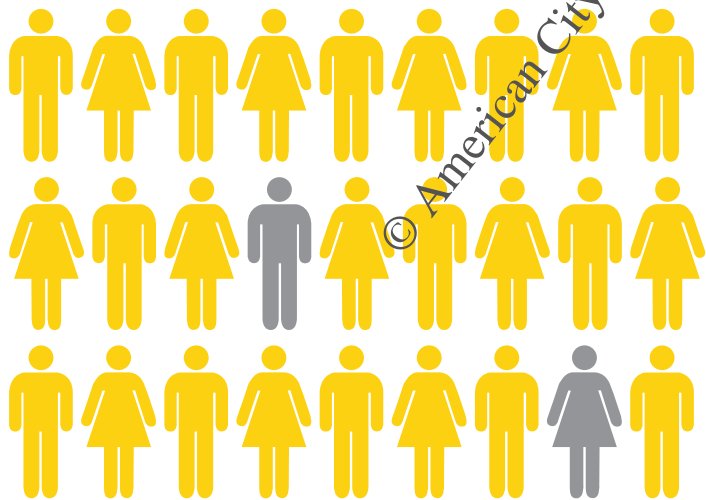
We are looking for the best and brightest of the business community under age 40. If you know someone who is well-rounded and contributes to their industry and community, then we would like to hear about them!

We are launching our annual 40 Under 40 awards, and we are currently accepting nominations. From January 1, 2010 through February 26, 2010 you can nominate someone for the 40 Under 40. The only requirements are that they must be under 40 years of age as of May 1, 2010 and must reside in the 10-county Houston area.

To nominate someone for these awards, you can submit the information online. Go to <http://houston.bizjournals.com/houston/nomination/3011> and fill out the requested information. Emails for nominees are REQUIRED.

The nominee will receive a questionnaire in February. Winners will be chosen by panel and will receive their awards during the Celebrate!Enterprise festivities in May.

For questions relating to this award, please contact Nicole Ferweda, senior researcher at nferweda@bizjournals.com or 713-395-9630.



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