



In-House Production Helps TerraCycle's Growing Fertilizer Business Stay Fresh

Company's eco-capitalism means earth-friendly profitability

Overview

Tom Szaky's business plan is complete garbage. He buys garbage, feeds the garbage to worms, turns their "garbage" into plant fertilizer and bottles it in more garbage. TerraCycle Plant Food is the world's first consumer product where every part of the packaging and product is recycled – only the label on the bottle is new.

Szaky's unique idea has helped him keep costs low while being environmentally sound. And although Szaky is thrilled his product is eco-friendly, he is a true businessman. Not content to simply have his product sold in specialty shops, he wanted to be able to compete on the same playing field as the other plant food giants.

One of the ways he is able to do this is by designing customized, local store displays with the help of an HP Designjet large-format printer and his HP Compaq nc6400 business notebook in addition to networking and product inventory software.

Do-It-Yourself marketing campaigns create a competitive advantage by:

- Enabling production of highly-targeted regional promotional materials more quickly and cost effectively than bigger competitors;
- Decreasing turnaround time to allow a more fluid, flexible production schedule;
- "Being there" to address any last-minute production problems;
- Keeping costs down while increasing profit margins.

Challenge

Competing with fertilizer and garden companies with huge marketing budgets like Scotts and Procter & Gamble can be a daunting prospect for any entrepreneur. With a fraction of the marketing budget, it can be difficult to be heard, let alone remembered, and customization for regional marketing and promotion can be a logistical and fiscal nightmare.

Maintaining a competitive edge is difficult and requires ingenuity, a grassroots approach and the resources to produce quality materials without professional designers, printers and marketing consultants. The right mix of strategy and technology is integral for success but challenges remain. For instance:

- Launching eight products in national home and garden stores requires production of localized promotional and marketing materials that can change regularly. TerraCycle

will grow its product line to 16 by year's end;

- The eco-friendly practice of using recycled soda bottles increases profit margins, but requires rapid-fire production of thousands of internally-produced package labels to ensure costs remain low;
- Managing in-house production on such a grand scale requires a keen eye for detail and a full understanding of complex print production issues.

Solution

TerraCycle knew the considerable cost savings and increased efficiency in-house production would bring and, like all good entrepreneurs, set out to leverage their internal resources. They purchased the HP Designjet large-format printer and the HP Compaq nc6400 business notebook and set to work on both design and production. With these tools, TerraCycle is able to create all promotional materials and package labels on their own.

Results

Since 2001, TerraCycle has grown from a small player with a great idea to a major contender in the plant-food industry. No longer serving an eco-friendly niche market, TerraCycle's unique and highly profitable business model has enabled them to compete with the likes of Scotts and Procter & Gamble while they continue to grow. Using HP products for their in-house design and production provided the company with the flexibility an emerging company needs and the quality consumers and retailers demand.

Products

- HP Designjet Large-format Printer
- HP Compaq nc6400 Business Notebook

Customer quote

"When we walk into a big retailer, we're on the same playing field, there's no difference between us and any other company. We want to expand our brand for ultimate, eco-friendly products and we rely heavily on our HP products to help us do that efficiently and with great attention to detail," Says Tom Szaky, co-founder and Chief Executive Officer of TerraCycle, Inc.

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