

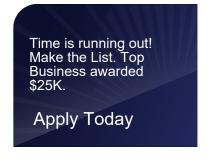
GOOD COMPANY » LAUNCH PAD

3 Startups Reveal Their Roadmap for

Developing and Launching a Successful Sustainable Product

The founders of PlantSwitch, Matter, and Repurpose, which make compostable dinnerware, storage containers, and more, share their strategies for landing funding, scaling production, and breaking into big retail.

By: Poornima Apte , Contributor				
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Matter currently produces and sells a comprehensive assortment of compostable items including sandwich bags, cups, and waste bags. — Matter

Three business tips for entrepreneurs, from the founders of PlantSwitch, Matter, and Repurpose:

- Keep your customers' preferences in mind when designing sustainable products: They need to find an easy way in to make a lifestyle switch.
- Start with an incremental approach to growth —
 launching products in 250 to 300 stores as opposed to
 3000 that aligns with your supply chain, production,
 and manufacturing, and supports the proper amount of
 inventory.
- When pitching your business to potential investors, avoid getting lost in the weeds. Instead, convey the grand vision for your company and what it can become in the marketplace.

Startups that manufacture goods need significant capital investment, specialty knowledge of manufacturing, and a long product-development ramp before

products can make it to market. And producing sustainable products is an additional layer of complexity as startups must align consumer taste and willingness to test-drive new green products with the limitations imposed by raw materials.

Here, the founders of Repurpose, PlantSwitch, and Matter Compostables, manufacturers of compostable dinnerware and other items, shared with CO—their advice about scaling production, nabbing placement on retail shelves, and fundraising strategies.

'I've learned it's okay to say no. If a retailer wants to buy X amount and that quantity is 200-300% of your capacity, the best thing for you to say is, 'We're not there yet.'

Tim Busby, Founder, Matter

Tim Busby would rather you didn't think of Matter as a retail brand.

Instead, the entrepreneur positions the technology that delivers plant-based replacements for plastic dinnerware, containers, and more, as finding distribution in a variety of sectors including retail, consumer packaged goods, and even the medical sector. "My vision has always been to deliver whitespace solutions to fill a void in the market by thinking differently," said Tim Busby, Founder of Matter.

When Busby first started exploring plant-based biopolymer and fiber products as replacements for traditional plastic in the late 2000s, he discovered most of the compostable tableware solutions he found dabbled in one or two products. Busby proposed a business idea to a friend who worked at Target: What if you could stock a comprehensive compostable-focused brand that included a range of everyday items from sandwich bags to waste bags?

The friend said yes.



Tim Busby, Founder, Matter. — Matter

Practically everything —from processing conditions to melting points—about manufacturing biopolymers, polymers that are produced by or derived from living organisms such as plants, rather than from petroleum, is different and challenging. But Busby went to work launching a business in 2020 that would own and refine the technology of creating plastic replacements. Formulations would work not just for one application but many. "A comprehensive assortment — Matter currently sells 30 SKUs — is what separates us as a brand at retail; it's what the buyers like," Busby said.

Third-party certification verifying the compostability of the products also matters, he added. Matter products carry certification from The Biodegradable Products Institute (BPI).

Having already had a friend at Target might have made it easier for Matter to

hit big retail (the brand is indeed sold at the chain), but relationships can only take you so far, Busby said. "If you don't have a product that's going to deliver a solution and fulfill a need, then it's just a conversation," he said. Do your homework and be really laser-focused on who you want your top three brick-and-mortar partners to be and why, he advised. A "market sweep" to understand brand opportunity and consumer demographic is key, especially in a competitive landscape.

"When you do get big retail's attention, make sure you're prepared from a scale and supply chain standpoint," Busby added. It's a good idea to craft a staged approach to a product rollout, so you're in 500 stores to begin with and not 3,000. Because "if you get on the shelf that's one thing; if the product sells through, that's another, which is great," he said, "But if you're out of stock, it's over."

[Read: Startups Help Restaurant Takeout Businesses Go Green With Returnable Food Containers]



PlantSwitch converts plants to plastic, using core raw materials to produce a bioplastic resin that makes up its products, like food packaging and cosmetics containers. — PlantSwitch

'Focusing on what your idea can become, and why that matters, is something that you really need to communicate well in order to raise capital when you're at the beginning stages'

Dillon Baxter, Co-founder and CEO, PlantSwitch

Dillon Baxter knows that lofty ambitions are not enough to carry a business. Case in point: Consumers won't ditch plastics if the replacement is not plastic-like. After all, "a lot of folks don't want paper straws because [they melt] in your drink. People want a good experience," said Baxter, the CEO and Cofounder of PlantSwitch.

That good experience is what Baxter and Co-founder Maxime Blandin are delivering with the company that converts plants to plastic, using leftovers of major agricultural processes as the core raw material with which to produce bioplastic resin. The resin works with existing plastic machinery to produce PlantSwitch's food packaging, cosmetics containers, and more.

When Dillon Baxter was a senior in college he started a redistribution company, importing eco-friendly single-use foodservice products. He quickly noticed the lack of great alternatives to plastic. "All the alternatives were either way too expensive, didn't work well enough, or weren't truly sustainable," Baxter said. The finance major co-founded PlantSwitch as a solution to fill the gaps, recruiting "some smart people with backgrounds in chemical engineering and polymer science to help develop the technology." PlantSwitch is home and industrial compostable and pending official BPI and TUV certification. That means you can compost PlantSwitch products in both home backyards and in industrial facilities.

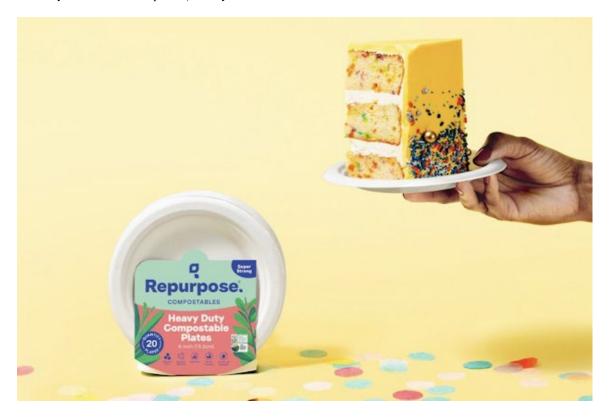


Dillon Baxter (left) and Maxime Blandin, Co-founders of PlantSwitch. — PlantSwitch

million bridge round this year. Manufacturing is a capital-intensive experiment that needs a lot of investment even to develop a successful proof of concept. But PlantSwitch has been lucky to find investors who see the long product-development ramp that's necessary for takeoff. With production facilities in North Carolina, PlantSwitch is on a path to an annual production volume of 50 million pounds of resin by 2025. Products from PlantSwitch will be on the shelves of "a major grocer" soon and the company is currently in deals with large foodservice companies.

A valuable lesson he learned during the early years of PlantSwitch's own funding journey was to not get tangled in the weeds. "You really need to refine the grander vision of what you're doing. I originally got a little too into what we're doing and how we're doing it and that's actually less important to an investor than what you can become," Baxter said.

Baxter advises startup founders to be persistent and keep trying for funding. "There's going to be someone out there who understands your vision and wants to support it," he said. A valuable lesson he learned during the early years of PlantSwitch's own funding journey was to not get tangled in the weeds. "You really need to refine the grander vision of what you're doing. I originally got a little too into what we're doing and how we're doing it and that's actually less important to an investor than what you can become," Baxter said.



To reduce environmental impact, Repurpose uses waste products, such as beet pulp and bamboo, instead of virgin raw materials. — Repurpose

We're 'building a business for the sake of creating an impact'

Lauren Gropper, Co-founder and CEO, Repurpose

As a sustainability consultant for movies and television shows, Lauren Gropper's job was to make show sets less wasteful. But during breaks, everyone ate with plastic utensils and drank out of plastic water bottles. Recognizing "an area that needed to be disrupted," Gropper combined her sustainable design training with an entrepreneurial spirit to found Repurpose in 2010. The company sells nontoxic compostable kitchen goods like cups and napkins.

When researching business partners, Gropper, Repurpose's Co-founder and CEO, realized that the partners with deep materials science expertise did not understand manufacturing processes, and vice versa. Navigating these moving pieces to create nontoxic, durable, inexpensive products was a challenge.

Securing initial funding was also difficult. Gropper found that there wasn't a robust ecosystem to fund women-owned or eco-friendly businesses. And getting support for a physical product, rather than software, was no walk in the park.

Gropper still remembers their first order of cups for a small chain in southern California. The shipment arrived with the labels printed upside-down. Gropper and her team took the labels apart and affixed them the right side up on each cup, to get the shipment delivered on time.



Lauren Gropper, Co-founder and CEO, Repurpose — Repurpose

Eventually Repurpose moved on to court large retailers. The first stop: Safeway. When Gropper pitched a compostable coffee cup, at the time, many buyers were unfamiliar with the term. "The buyers at these retailers were like, 'What's compostable? Is that combustible?' They just had no idea," she said. One Safeway buyer gave Gropper a chance on that coffee cup. Today, a wide variety of kitchen and bath goods from Repurpose are sold in over 12,000

stores across the U.S., including at Safeway, and at big-box retailers like Kroger, Target, Whole Foods, and more.

The company is technology-agnostic, Gropper added, and updates raw materials as more durable and sustainable options arise. To reduce environmental impact, Repurpose uses waste products, such as beet pulp and bamboo, instead of virgin raw materials.

Gropper advises new business owners to be polite yet resilient when navigating rejections from business partners. Revise your offering until it matches your company's vision. Persistence will pay off, she said. As the mother of two children, Gropper assures parents that they can have kids and still navigate the challenges of entrepreneurship.

As for Repurpose, Gropper is glad to build a company with a conscience. We're "building a business for the sake of creating an impact," Gropper said. "I feel grateful for that every day."

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