

Firm cleans up with licensing deals

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Look for three Your Business features this week on companies that are carving out a niche in organics. The series began Monday, with a story on Happy Planet, followed by this piece on Frank T. Ross & Sons. The final installment appears Friday.

When **Frank T. Ross & Sons Ltd.** launched its NatureClean line of hypoallergenic products in 1963, consumers weren't clamouring for all-natural cleaning agents.

Decades passed and sales remained low. Then, in 2006, Al Gore's hit documentary *An Inconvenient Truth* spread dire warnings about the impact of carbon emissions. The film dramatically raised public awareness on issues related to health and the environment.

"That was the tipping point," says Bernie Ross, chief executive officer of the 82-year-old, family-run business based in Markham, Ont.

Seemingly overnight, shoppers began to scrutinize the ingredients of everyday consumer items. Headlines told alarming stories of poisonous pet foods, lead paint in children's toys, and milk thickened with melamine. Demand increased for "all-natural" and "green" products and Mr. Ross watched sales of NatureClean shampoos, soaps and detergents soar as consumers turned to alternative brands.

"Over the past four years, our company has surged ahead, with revenues increasing 20 per cent to 30 per cent each year, right through the recession," he said.

Last year, revenue rose 40 per cent, to \$13-million. The company, which has 20 full-time employees, has extended its international reach and experienced extraordinary growth, not only by riding a trend, but also by finding ways to build on its success.

F.T. Ross has inked licensing deals with a pair of high-profile enterprises that will go to market in the next few months.

The first product involved Doug Murphy, general manager of Corus Kids and president of Nelvana, a division of Corus Entertainment Inc., who recognized there was a lack of safe, natural products specifically for children. Messrs. Murphy and Ross struck a deal in which F.T. Ross would create an array of personal care products, including bubble baths, shampoos and hand soap, and Nelvana would license them for its Treehouse television network, which has a Canada-wide audience of toddlers and preschoolers in more than eight million homes.

The product line, which launches in April, boasts bright packaging depicting popular characters from *The Backyardigans*, *Max &*

Ruby and *Franklin the Turtle*. F.T. Ross produced the products from plant and mineral sources, using formulations developed under stringent standards. (The products are third-party certified by Canada's Eco-Logo program, which provides assurances that goods meet established environmental guidelines.)

The marriage of F.T. Ross's natural products with Treehouse's programming should help both companies. The product launch will be advertised on Treehouse, and Corus will receive royalties from sales. "This is Treehouse's first foray into children's personal care products and ... we are pleased to work with NatureClean to bring quality products to market," Mr. Murphy said.



Frank T. Ross And Sons Ltd. CEO Bernie Ross at his Markham, Ont., office with some of the products the business makes.

In the second project, F.T. Ross is set to manufacture a line of household products and cleaning agents created by the Smithsonian Institution in Washington. The renowned museum has developed formulas to clean thousands of historic treasures and, as part of its slate of commercial ventures, it sought out licensees, including F.T. Ross, to make an array of household cleaners.

These products will carry the Smithsonian label and will be sold through distributors

and large retail outlets, similar to the way Martha Stewart branded her goods.

F.T. Ross has worked diligently to expand its export business, with NatureClean products selling in China, the United States, Bahrain, Qatar, Singapore, and Costa Rica. The company has also exported other core products, such as its well-known Weldbond glue, which is sold in Australia, New Zealand, the U.S. and Britain.

"In 1928, my grandfather founded the firm in Vancouver to make products for the railroad industry," Mr. Ross said. "In the 1950s, my dad moved the company to Ontario, where we began manufacturing what became our popular core product, Weldbond glue."

His father - spurred by events in their home - developed personal care and cleaning agents that contained no dyes, synthetic perfumes, and harsh chemicals.

"My mother developed rashes on her scalp and hands, allergic reactions from using commercial soaps and detergents," Mr. Ross explained. "My father began to experiment, creating cleaning agents that mom could use safely."

At first, the hypoallergenic products were distributed to friends. In 1963, the firm launched them under the NatureClean label. But the products were ahead of their time, and big retailers showed little interest.

In 1985, after graduating from University of Guelph, Mr. Ross joined the business, bringing environmental thinking to the company. In 2002, he and his brother Blake took over management duties, becoming CEO and president, respectively.

"Young people want to work for us," Mr. Ross said. "We make products they believe in ... Our employees inspire me, contributing ideas on how to make our products more environmentally friendly."

For example, instead of using plastic jugs or bottles, NatureClean offers boxed refills of liquid laundry detergent and soaps, a concept borrowed from the wine industry.

"We have to stay competitive and are constantly innovative," Mr. Ross said of the competitive market for green products. "That's just the nature of today's marketplace."