

Ed Lowe: An entrepreneur's entrepreneur

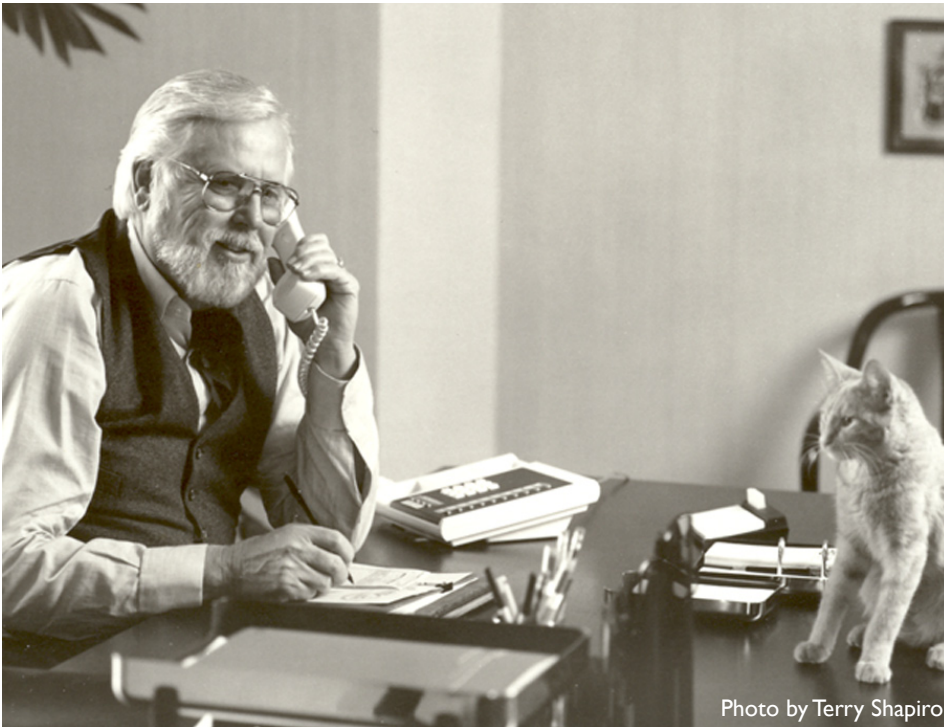


Photo by Terry Shapiro

At Edward Lowe Industries, cats were considered to be part of the staff and allowed to roam freely around the company, even in the office of CEO Edward Lowe.

The founder of Kitty Litter, a simple product that sparked an entirely new industry, Ed Lowe distinguished himself not only for his business prowess, but also his initiatives to support entrepreneurship.

Born in 1920 in St. Paul, Minn., Lowe grew up in Cass County, Mich. After serving in the Navy, he joined his father's company, which sold various commodities including industrial absorbents. Among these absorbents was a type of clay pellet made from fuller's earth.

Adept at adapting

In 1947 Lowe saw a new opportunity for these pellets when a neighbor asked him for some sand to use in her cat's litter box. Because of the cold weather, the woman had brought her pet

indoors—a rare privilege at the time. Yet the ashes she was using in the cat's litter box resulted in sooty paw prints all over the house.

Instead of sand, Lowe gave the woman a package of fuller's earth pellets. After rave reviews from her and other neighbors, Lowe began marketing the material as Kitty Litter at pet shops and cat shows. Two years later he left the family business and devoted himself to building demand for Kitty Litter. By the time he sold Edward Lowe Industries (ELI) in 1990, the company had grown to more than 500 employees and \$165 million in annual sales.

“Although Ed's invention may not seem remarkable, what was remarkable was his ability to see new opportunities, build a mass market for Kitty Litter and solve problems

his company encountered at different stages of growth,” says Mark Lange, executive director of the Edward Lowe Foundation.

National distribution was a key factor in Lowe's success, points out Heidi Connor, manager of the foundation's historical collections. “Ed was relentless about building a coast-to-coast presence for Kitty Litter, and to do so, he had to work through a number of logistical issues. For example, he located manufacturing and packaging facilities near mines to bring down transportation costs.”

An astute marketer, Lowe launched a new brand, Tidy Cat, in 1954 to sell in supermarkets, while he positioned Kitty Litter as a boutique brand for pet stores and veterinarians. Although differentiating a core product through branding is now an accepted marketing practice, it was a novel approach at that time.

“Ed was also ahead of his time when it came to research and development,” Connor adds. “Edward Lowe Industries was the only company of its kind with dedicated R&D centers.”

Continuous improvement

For example, at ELI's All American Cattery in Cassopolis, Mich., more than 120 cats were “on staff” to assist scientists with product development. Among the many improvements that ELI introduced were dust-free versions of Tidy Cat and Kitty Litter in 1986. Four years later, the American Veterinary Medical Association honored Lowe for promoting cat health with his dust-free products.

An advocate of land stewardship, Lowe was a charter member of the Sorptive Mineral Institute, which was

instrumental in establishing standards for mining, manufacturing and distribution of absorbent clays.

“Lowe’s plants became well known in the industry as models of safety and efficiency, which helped maintain quality and cost-effectiveness over the years as competitors began to flood the market,” Connor observes.

Entrepreneurial mindset

During his lifetime, Lowe secured more than 170 patents, trademarks and copyrights for products and services. Although many of these innovations were related to the cat-box-filler business, others were not, such as precut, packaged firewood, a dust-free carrier for agricultural pesticides and a wellness program for company executives.

“Ed never stopped asking ‘why?’ about anything,” says Darlene Lowe, his wife and the foundation’s chairman.

“Why are we doing something this particular way? How can it be done better? He never stopped looking for a way to improve every aspect of his business and personal life.”

In 1990, five years before his death, Lowe sold the clay division of ELI (which included the cat-box-filler business) to a group of investors.

At the time of its sale, ELI was producing more than 700,000 tons of absorbent-clay products annually. In addition, it was the largest manufacturer and marketer of cat-box filler in North America: ELI held a 33 percent U.S. market share with a market share of more than 24 percent in Canada.

Prior to Kitty Litter’s launch in 1947, the cat-box-filler industry was nonexistent. Today, the industry generates nearly \$1 billion in sales worldwide.

Lowe was a passionate supporter of entrepreneurship and its role in a robust U.S. economy. “Ed saw entrepreneurship as a key strategy in economic growth—something that wasn’t recognized during his time—and he became a vocal, nationally recognized advocate for entrepreneurs,” says Dan Wyant, the foundation’s COO and president.

Envisioning an organization that would provide greater support and resources for entrepreneurs, Ed and Darlene Lowe launched the Edward Lowe Foundation in 1985. At first the foundation was structured as a grantmaking institution. But in 1991 it

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became a private operating foundation, which enabled it to develop and run its own programs.

Initially the foundation was involved in a variety of activities, ranging from youth entrepreneurship to policy conferences and publishing. Since the late 1990s, however, the foundation has focused on second-stage companies—firms beyond the startup phase that have the desire and capacity for continued growth.

Supporting second stage

The foundation provides research, recognition and educational programs to help both second-stage companies and the organizations that support these entrepreneurs. For example:

- Companies to WatchSM honors second-stage companies that are driving economic growth and job creation in

their communities.

- PeerSpectives[®] is a unique CEO roundtable system that enables entrepreneurs in noncompeting industries to solve challenges by sharing experiences.

- Retreats held at the foundation’s headquarters help business leaders gain insights and learn new tools to grow their companies.

- YourEconomy is an online tool that tracks business activity across time in communities.

- ESO² brings together entrepreneur support organizations to share best practices.

Reflecting Ed Lowe’s great love and respect for nature, the foundation has a secondary mission of land stewardship. At Big Rock Valley, the foundation’s home in southwest Michigan, there are 2,600 acres of woodland, prairie, farmland and wetland. To maintain the property’s

unique biodiversity, the foundation’s conservation-management team conducts a variety of innovative practices, such as prescribed burning, restoration of prairie grassland and managing for old-growth woodland.

As part of its land stewardship mission, the Edward Lowe Foundation makes Big Rock Valley available to academic researchers and groups that share similar environmental ideals, such as The Nature Conservancy and the Michigan Entomological Society.

“I think Ed would be proud, not only of the entrepreneurship programs the foundation has developed, but also of the environmental stewardship work going on at Big Rock Valley,” Wyant observes. “The property has become a living laboratory of sorts, allowing researchers to expand the knowledge base of conservation science.”