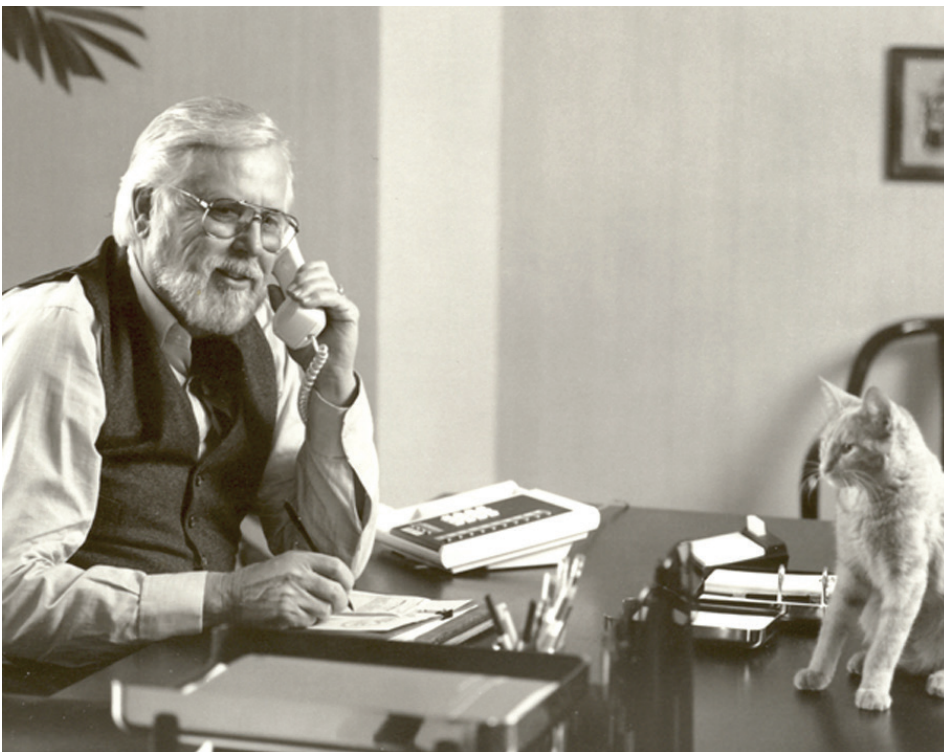


Ed Lowe: An entrepreneur's entrepreneur



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 Ed Lowe. — Photo by Terry Shapiro

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, Minnesota, Lowe grew up in Cass County, Michigan. After serving in the Navy, he joined his father's company, which sold various commodities including industrial absorbents. Among these was a type of clay granule made from fuller's earth.

Creating a new industry

In 1947 Lowe saw a new opportunity for these granules 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 granules. 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 his father's business and devoted himself to building demand for Kitty Litter. By the time he sold the clay division of Edward Lowe Industries (ELI) in 1990, the company had grown to about 600 employees and \$165 million in annual sales.

National distribution was a key factor in Lowe's success. He built a coast-to-coast presence for Kitty Litter and worked through a number of logistical issues, such as locating his 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.

Continuous improvement

Lowe was also ahead of his time when it came to research and development, and ELI was the only company of its kind at the time with dedicated R&D centers. For example, at ELI's All American Cattery in Cassopolis, Michigan, 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 1985. 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 Minerals Institute, which was instrumental in establishing standards for mining, manufacturing and distribution of absorbent clay minerals.

Lowe's plants became well-known in the industry as models of safety and efficiency, which helped maintain



One of the ways Ed Lowe increased sales volume and awareness for Kitty Litter in the early 1950s was by attending regional cat shows, which enabled him to reach out directly to consumers.

quality and cost-effectiveness over the years as competitors began to flood the market for cat-box-filler.

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 was a real entrepreneur’s entrepreneur,” says Dan Wyant, president and chief operating officer at the Edward Lowe Foundation. “He believed being entrepreneurial was something he couldn’t turn off. It was instinctive, like a beagle’s innate tendency to chase rabbits. In fact, Ed liked to refer to an entrepreneur’s passion to pursue opportunity as ‘beagism.’”

“Ed never stopped asking ‘why?’ about anything,” says Darlene Lowe, Ed’s 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 market share of 33 percent in the United States and 24 percent in Canada.

Prior to Kitty Litter’s launch in 1947, the cat-box-filler industry was nonexistent. Today, cat litter generates about \$3 billion annually in U.S. sales.

Giving back

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 nationally recognized advocate for entrepreneurs,” says Wyant.

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

The foundation focuses on second-stage companies — firms beyond the startup phase that have the desire and capacity for continued growth.

The foundation provides research, recognition and educational programs to help both second-stage companies and entrepreneur support organizations (ESOs). Among these are:

- Leader retreats, which help second-stage leaders and their employees address challenges such as building a management team, communication issues, company culture and strategic growth.
- PeerSpectives[®], a CEO roundtable methodology designed especially for second-stage entrepreneurs, which focuses on peer learning.
- The System for Integrated Growth[®], a virtual program that gives second-stage CEOs access to a team of business experts to help address issues impacting growth.

Land stewardship

Reflecting Ed Lowe’s great love and respect for nature, the foundation also has a mission of land stewardship. Big Rock Valley (BRV), the foundation’s home in southwest Michigan has 2,000 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 foundation makes BRV available to academic researchers and groups that share similar environmental ideals.

“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,” says Wyant. “The property has become a living laboratory of sorts, allowing researchers to expand the knowledge base of conservation science.”