

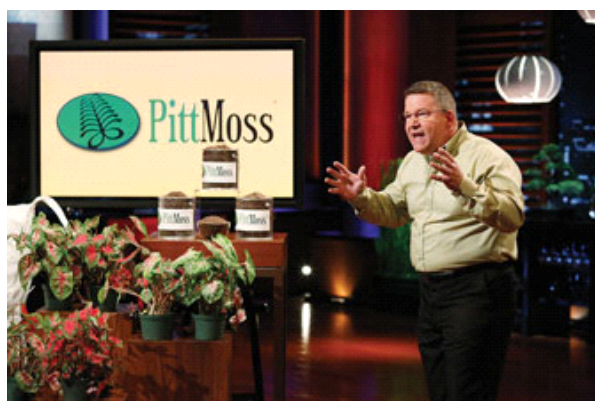
GROWERTALKS

Features

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Sharks vs. PittMoss

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PittMoss may have gained stardom overnight, but it isn't an overnight success. The PittMoss story started 21 years ago, when Mont Handley, a livegoods department manager at several Frank's Nursery & Crafts in Chicagoland, became aware of peat moss and the impact of harvesting it. A military veteran and history graduate from Purdue University, Mont had no experience in agriculture. "I thought, someone should come up with an alternative ... and that just sort of floated around in my head for months and years," Mont says.

Pictured: Mont Handley spent two hours with the sharks, but walked away intact—and with \$600,000 in funding. Photo: ABC

Many months later, the idea still gestating, he considered recycled newspaper as a peat substitute. Using his mom's old food processor, he spent the next three years in his apartment blending up old newsprint with various additives, trial and error. Sometimes it would grow mold. Other times it would reek of ammonia. "It was hit or miss using various organic additives," he recalls. "I approached it like an organic chemist: I knew the make up of good soil had various elements in it and that's what I tried to duplicate." These were pre-Internet days, so he spent time at the library reading scholarly journals and microfiche.

Once he hit upon what he thought was a stable formula (at the time dubbed NuPeat), he took it to Purdue's Business & Industrial Development Center, which provided workspace and taught him to write grants. He also connected with an agronomy and a horticulture professor, both of whom reviewed the product. On his third attempt, he received some EPA grant money that funded university research and the professors were impressed with the outcome.

However, despite several years' effort, additional grant money never materialized, while the need to make car and mortgage payments did. So Mont used his newfound grant-writing skills on behalf of the city of Portage, Indiana. While there, he helped organize a successful mountain bike fundraising race, which led to a full-time

job organizing events for Lake County, Indiana, which in turn led to an offer in Pittsburgh.

Meanwhile, his peat alternative was still in the back of his mind. When friends and colleagues would hear about it, they urged him to pursue it. “I was coming up on my 50th birthday,” he recalls, “and I said to myself, ‘If you don’t do this now, you never will.’”

So he joined the University of Pittsburgh Ag Entrepreneurship Program, hooked up with area grower Johnson the Florist (who liked the product and offered the use of land and equipment to manufacture it), got a bank loan and some seed money from a small business fund called Idea Foundry, cashed out his 401k, sold his house and dove in head-first, buying and modifying used equipment.

“And that’s where I was when ‘Shark Tank’ came calling,” Mont says.

“Shark Tank” producers learned about Mont in an article on veteran-owned businesses. They were looking for veterans for an upcoming special and offered him a spot. But Mont couldn’t take it too seriously.

“I never thought anything about it. In fact, we all joked about it,” he says. He’d seen the show. And he knew shark Mark Cuban was from Pittsburgh. “But we never thought in our wildest dreams we’d have a shot at it, you know?”

He almost didn’t. He received a call from a “Shark Tank” producer named Vincent. Coincidentally, two of his investors, both named Vincent, were also the biggest jokers and skeptics about the “Shark Tank” opportunity. Mont thought this was one of them playing a prank, so he cursed him and hung up. Fortunately, Vincent from “Shark Tank” called back and proved to have a sense of humor.

Mont’s segment was taped in June 2014 and aired April 2015. The 10 minutes or so you see was edited down from two hours being grilled by the sharks. Mont’s offer: 25% of PittMoss for \$600,000.

Two of the sharks passed, but Mark Cuban, Robert Herjavec and Kevin O’Leary saw potential, especially when they learned that Mont had \$168,000 in unfilled purchase orders. Kevin was first to bite, offering \$600,000 for a 40% stake. Mont countered with 30%. But then Mark Cuban had another idea: How about all three sharks go in together for \$200,000 each for 35% of the business? Mont’s answer? “I think that sounds like a great deal!”

Since then, Mont has got his facility up and running, and by the time you read this in September, they’ll be in their third month of production. Productivity is up and they’ve worked through some mechanical bugs. “We’ve learned a dozen or so ways to clog our equipment up,” he jokes, “but we haven’t made the same mistake twice, so that’s a sign that we’re learning.”

Oh, and he raised “a significant amount more” than what came from “Shark Tank,” as his local investors found renewed interest in the product.

As for swimming with sharks on a daily basis?

“It’s been exciting,” Mont answers. “We do hear from the sharks occasionally. They want to hear about our

good stuff, our bad stuff. Occasionally, I'll get an email from Mark Cuban that's very good, and sometimes ... well, he's an investor and he's laying down the law. I mean, that's what we expected." Mark has a representative on the PittMoss board "and he's always very good about suggesting means to accomplish our goals." None of the sharks have visited the factory yet, but that might have changed by late August.

Commercially, PittMoss is now supplying 19 states from New England to the Carolinas to Michigan with grower product, available by the truckload or in 75-ft. loose fill totes, two to a pallet. They're also in discussion with a "relatively big brand name" potting media company that wants to incorporate PittMoss into a potting mix, which will make it available to consumers, many thousands of whom contacted Mont after "Shark Tank" aired. The show was scheduled to repeat in August, which could bring that much more publicity to the product.

Mont calls "Shark Tank" a "phenomenal" experience.

"I have a great shot at what we're doing right now. I can't ask for anything more." **GT**