

Goatboy Soaps: From Itch to Concept to Execution

Lisa and Rick Agee, Owners

Lisa and Rick Agee of New Milford, Connecticut, are in their second full year of trying to turn their life-long dream of being financially independent from corporate life into a reality. They are placing their bets on their product line of goat's milk based soap products (www.Goatboy.us). Goat's milk is said to have important skin benefits for the user over commercially made bar soap products such as Dove, Ivory, Dial, Olay, Zest and Irish Spring.

NEJE: *Goats are cute . . . from a distance. But why would anyone want to use a product that promotes the use of goat's milk as its main ingredient?*

Lisa: Our second son was born with severe allergies, including one to cow's milk. I was frantic with worry and checked every medical resource I could to figure out how to deal with the problem. After several intensive days of wondering what our options were, I came across the use of goat's milk as a substitute. It worked beautifully.

Rick: It didn't take long for us to nickname our son, "Goatboy," and while he has long outgrown the moniker, we thought of the name immediately for our company when we decided to get into the goat's milk soap business.

NEJE: *Do you have a lock on this business? Is it unique to you?*

Lisa: Hardly! Go on the Internet and you can find dozens of small cottage industry entrepreneurs all selling their goat's milk soap. The difference between us and many of these operations is that we have a half dozen goats living in our backyard here in rural Connecticut while some of our competitors simply buy powdered goat's milk to mix with their other ingredients. That makes our main ingredient as fresh as you can get!

NEJE: *Okay, we understand why your son would want goat's milk because of allergies, but why would adults want your product?*

Rick: Do you ever get itchy skin in the winter time? If you do, and I see you nodding your head, then you are one of millions of Americans who use regular commercial soaps when you should be using our soap. If you look into the history of goat milk, you'll find that people have been using goat's milk for a lot of different reasons over thousands of



years. Awareness of goat milk's many benefits have just been late in arriving in the United States.

Both Lisa and I used to itch like crazy during the winter months. Nothing seemed to help our skin until we connected the dots and figured out that if goat's milk could help our son with his childhood allergies, then maybe a goat's milk soap bar could help our skin. We purchased several bars from a woman in upstate New York who we found over the Internet and, I can't say we were surprised, the goat soap made all the difference. Within two months, our skin dryness and rashes were gone and we knew we had found a better product.

Within a year after that, we decided to start making goat's milk soap for ourselves rather than pay someone else to do it for us. We mentioned what we were doing to friends and they started to ask us for our soap. Soon we were getting requests from more and more folks and thought, hey, we've got the makings of a business here.

NEJE: *Hold on, Rick, Dove or Ivory are in a lot of bathrooms in this country. Those brands promote strong benefit claims of "softness," "purity" and "mild cleansing." Aren't those claims accurate?*

Rick: The soap companies are misleading the public. They may say they have glycerin in their soap bars, but most of the glycerin that is created during the soap production process is actually removed from the soap in the curing stage and used in other products or sold off to bulk buyers. Commercial bar soaps you find in your average supermarket have very little glycerin or other skin-moisturizing

ingredients. When you buy and use goat's milk soap, you are in for a whole new experience. Our soaps are kind to the skin. In fact, folks with psoriasis and other serious skin problems find our goat's milk soap products to be extremely helpful.

NEJE: *Pardon our skepticism, but you do really think you can tackle the likes of Procter & Gamble, Unilever and Palmolive? Be real!*

Lisa: No, we don't suffer from delusions of grandeur, if that is what you're implying. But the key to our success is to find a niche need and fill that need to the best of our ability. As word of Goatboy Soap spreads, we will hopefully be able to generate enough revenue to live quite comfortably and never have to go back to our corporate jobs. At least, that's our goal.

NEJE: *Folks reading this interview will wonder what is so terribly awful about corporate life that you felt you had to leave it.*

Rick: I spent more time in corporations than Lisa did, so I'll answer the question first. For us, being on our own means we can set the agenda every day about what we want to do to earn money and how we're going about it. I was a salesperson for more than 10 years with a major corporation and it was very stressful. I had quotas to meet, missionary calls to make and my life was run by my supervisor. After a while, it became a burden and just a job rather than a career I was enjoying.

Lisa: My answer to your question would be the strain I felt commuting for nearly an hour each way and the sacrifices that were required from my family and the time it took away from raising the children. I just couldn't do it all when working 40 to 50 hours a week outside the home. Bringing up two boys and taking care of all the chores on top of a full-time job was not my ideal way of spending my life. I looked forward to opting out and our soap business seemed the perfect way to do it.

NEJE: *So, the natural progression is to ask how you are doing.*

Lisa: At this point, I would say "okay." Not as well as we need to do to generate the revenue we must have to both stay involved in the business full-time, but our growth is enough to give us the feeling we are going to make it.

Rick: There's an upside to Lisa's comment about us just doing "okay." I don't want to grow too quickly and to find we aren't able to ship the quantities that our retail and wholesaler accounts might order if we expanded our sales territory too quickly. The worst thing that could happen is if we obtained some serious retail distribution outlets, say a Stop & Shop or a Shaw's Market, and then could not fulfill

the order quantities necessary to keep our product in stock. Growing as we are doing is the right way to handle the business.

NEJE: *Sure as long as you can sell enough soap to put bread on your table, so to speak.*

Rick: That's right, but we still have enough of a savings account buffer to last at least another year as we continue to grow the business. We're confident we can do it.

NEJE: *How have you been creating customer interest in your soaps?*

Lisa: We have been using a combination of things, like attending local and state fairs. We bring along two of our goats to attract attention to our booth and that's been very successful. We also sample the product around our local area of New Milford and have placed them in several retail stores. However, we've found that unless the store manager knows about our product and uses it personally, the retailer could care less about how well we are displayed and selling.

We are encouraging folks who are doing fundraising to use our product line to help raise money. We're also seeking product distribution in stores like Guido's in western Massachusetts and Whole Foods out of Greenwich, Connecticut. Whole Foods hasn't placed an order yet, but we filled out paperwork for their systems people last week and we hope to get our first order from them shortly.

Rick: To Lisa's point about attending state fairs, we are signed up for the "Big E" state fair in Massachusetts this coming summer. We will gain exposure to some one million fair goers during a 17-day period, something we have never been able to do before. If this proves as successful for us as we think it will, we may be on to something. Once we get our feet wet with the "Big E," it could lead to a decision to attend perhaps four, five, or even six big state fairs around the country each year. That could be our springboard to a really solid business—the key to making the Goatboy brand a national product.

NEJE: *What about a marketing plan? Have you set priorities in how you're going to promote Goatboy?*

Lisa: I have to be frank with you. We have a business plan, but I haven't put together a marketing plan yet.

NEJE: *Because . . . ?*

Lisa: I don't have a reason. We just haven't done it yet but I know we need to put one together. We haven't had money for advertising yet so I didn't feel a marketing plan was all that crucial. But one thing we do know: Sampling is the one sure way to build product awareness and interest. We've been anxious to meet new folks to put the soap in their hands and ask them to try it out. Once people try goat's milk

soap, they typically don't go back to regular store soap brands.

Rick: That's the most important aspect of our business we've found out so far. Sampling is critical. If we can get the consumer to try our product, we usually end up with a repeat customer. But it's tough to get distribution; a lot of wholesalers and retailers we've approached won't even return our phone calls. It's been frustrating.

Lisa: We're thinking of pursuing the "home party" route. Several women have talked to us about running home party fundraisers which they or a friend of theirs would run as independent consultants. We're ready to give 25 percent of all the money that is raised at the party to the host's favorite charity. Starting this activity will probably gel in the next month or so.

NEJE: What do you charge for a bar of your goat's milk soap?

Rick: We charge \$5.00 a bar. I know that's considerably more than what commercial soap sells for in a supermarket, but each one of our bars weighs at least 5 ounces. That's a much better value than some competitive soaps sold on the Internet for \$3.50 or \$4.00 but the bar's weight is 3 ounces or so. We also offer "1 free with 3" on our Internet site, so that brings down the cost to under \$4.00 per bar when consumers buy in quantity.

NEJE: Who do you consider your biggest competitors?

Lisa: That would be Vermont Soap Works and Kiss My Face. Both organizations have solid websites and, from what we can tell, do a terrific business. They're the ones we would like to model ourselves after.

NEJE: Have you been to any trade shows?

Lisa: Yes, we just went to our first one last month. It was a gift show up in Boston and we had tremendous success there. We signed up 23 new retail accounts and several have already reordered. Others are seasonal and haven't opened up for the summer yet so we are waiting to ship them an initial order.

Next year, we are thinking seriously of attending the New York City gift show. That's a lot more expensive, but the outcomes could be even greater than what we experienced in Boston.

NEJE: What about using the Internet, perhaps selling your product on eBay?

Rick: We've considered it but so far we don't think it's the way to go. There's no easy way to differentiate ourselves from our competition using eBay and we can't match the pricing from folks who mix their soaps in their basements and sell it in high volumes. Then there are resellers who also use thin margins to attract business and we can't compete with them.

NEJE: Who do you think is your typical consumer?

Lisa: That's an interesting question because there seems to be a split between the typical buyers of soap, female heads of households, versus the users who frequently turn out to be men. Women are mostly in charge of buying staple products for their families, no question there, but you would be amazed at the number of men who have approached us at fairs and up in Boston during the trade show who are curious about the values of using soap made from goat's milk. Moreover, the men who appreciate what our product can do for their skin either ask their wives to order the product from us or they contact us and buy it.

NEJE: Anyone ever tell you they wouldn't use your product?

Rick: Yes. About a quarter of the people we've talked to about trying our product say something like, "Oouuu . . . it's from a goat. No thanks!" That just reflects their ignorance about the value of goat's milk and how part of our culture is just so oriented toward cows that they can't conceive that goats can have similar, if not more, benefits to humans than cows do.

However, most people we meet are pretty open to the idea of using Goatboy soaps and that has been really fulfilling for us. We've just bought machinery that has increased our ability to make product to the point where we can comfortably meet our order demand by working two to three afternoons a week. If we start getting more orders, we definitely have the capacity to ramp up pretty quickly.

NEJE: Any regrets about leaving the corporate world for the life of an entrepreneur?

Rick: None whatsoever.

Lisa: Ask me in a year.

—L.W.