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Betty Mills Co. cleans up with janitorial supplies

San Francisco Business Times - by [Steven E.F. Brown](#)



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"We are fanatical about our mission," says Hanna (left), with co-president Schulhof.

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David Schulhof and Victor Hanna, co-presidents of the **Betty Mills Co.** in San Mateo, started their business in 2002 after having similar shopping experiences.

At Costco with his wife, Hanna, who had previously founded several direct marketing tech companies, remembers picking up an enormous 96-roll package of toilet paper and heading toward the register. "My wife said, 'I'm not going to be seen with you with that,'" Hanna recalled.

Schulhof, who'd had an eerily similar experience shopping with his wife, was another former tech entrepreneur looking for a new kind of business to start. The two, who tend to finish each other's sentences, decided to start selling low-tech goods over the Internet. Specifically, they chose janitorial supplies like toilet paper, which many small and medium businesses bought the same way -- by sending their office manager to Costco to pick up a huge bale of the stuff.

They funded the company themselves for three years, and since then have raised about \$1.5 million in two small angel rounds, Schulhof said.

"We thought maybe this was a good segment," said Schulhof. "We didn't have to create demand. Everyone knows how to use toilet paper."

The demand is certainly there today -- the company has grown to 25 employees and brought in \$13.5 million in revenue last year.

Back in 2002, after dot-com companies delivering groceries and pet food had already crashed, no one who heard Schulhof and Hanna's pitch wanted to talk about selling anything over the Internet. But since no one was selling janitorial products online, it was a great opportunity for the pair to get there first.

Faced with branding such relentlessly practical products, the pair embraced the traditional image. Schulhof lived in San Mateo, and when Hanna visited him he fell in love with the quaint downtown and they incorporated that quaintness in their branding. They wanted an old-fashioned, Midwest feel, said Schulhof, and chose the "Mills" in the company name because paper is made in mills. It became the last name of the company icon "Betty," who, he said, was meant to evoke "Aunt Bea from 'Andy Griffith' and Martha Stewart before the fraud conviction."

Neither man knew anything about the business they were getting into, so they both took all the phone calls to the office for the first year to learn. "We knew tech, not toilet paper," said Hanna.

Even so, they found eager customers and did half a million dollars in sales in their first half year. The market was fragmented and served by a lot of mom-and-pop companies.

As they grew, they didn't have many differences, but when they did, Schulhof and Hanna solved them over a bottle of wine on a Friday afternoon in a local restaurant, or by walking around downtown San Mateo. After one disagreement, they went around eight times, said Schulhof, and at the end "we realized we didn't really know what we were arguing about."

Almost by chance, Betty Mills moved into another, completely different market -- outdoor sheds. Among the many consumable products the company sold (today it sells 55,000 different items) were some small garden tool sheds made by **Rubbermaid**. When some of their customers put in large orders, Hanna and Schulhof contacted other companies that made bigger sheds and asked to sell those, too.

Though the suppliers said Betty Mills would never be able to sell the sheds online because they were too big and customers would want to see them first, Schulhof and Hanna brought in a lot of orders in the first week. Today their company is the largest seller of outdoor sheds on the Internet, selling more than **Home Depot**.

Betty Mills has also worked to bring in money from marketing deals with its suppliers, many of them large companies that never sold their products online. "Nobody really cared about the Internet even two to three years ago in this business," said Schulhof.

Some companies, like **Kimberly-Clark**, maker of Kleenex and Scott and other brands of paper products, now pay Betty Mills to market them. The company has also recently added office snacks and vending machines to its offerings.

"The break room (at a business) often has more square feet than the rooms where our products are stored," said Hanna.

Thinking of the future, Schulhof and Hanna will stay focused on their brand, as befits their marketing backgrounds. And they see nowhere to go but up. "We think we're still in beta," said Schulhof.

Added Hanna: "We are fanatical about our mission -- to build a great American brand."

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