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How This Company Is Turning Itself Around To Deliver 'Clean' Cleaning Products



CleanWell uses thyme oil to produce cleaning products that are free of toxins.

When Peter Resnick bought CleanWell, he had no CEO experience, and frankly was not looking to be an entrepreneur. Rather, he wanted to invest in a business that was eliminating toxins and chemicals from everyday cleaning products. However, he became an “accidental entrepreneur,” he says, from day one.

“We were sinking, but I wouldn't let it go under,” he says, referring to CleanWell, a company started in 2005 by Sam DeAth, which Resnick became the sole owner of in 2015. “The company I acquired had serious operational problems.”

In 2009, Resnick came on board as an investor; however, seeing the operational issues at play, he decided to buy the company in 2015 and try to turn things around. CleanWell has a product, he says, that is sought after by today's customers who are searching for household cleaners, wipes, and sanitizers, free of toxins.



Hand sanitizers have become popular; CleanWell creates a 'cleaner' formulation to an everyday staple, they argue.

Hand sanitizers, for example, have become a staple; most people carry them in their bags, backpacks, purses, and cars. Hence, it's a massive market: revenues estimated to reach \$2 billion in five years. But many sanitizers not only eliminate bacteria but put consumers at risk, Resnick says. Three ingredients--[triclosan](#), [quaternary ammonium](#), and alcohol--are not necessary and can be harmful to the skin and overall health, he argues. Add to that, there are synthetic colors in many cleaning and sanitary products, which have been banned by the European Union. In household cleaning products, he adds, consumers can find [2-Butoxyethanol](#), a solvent that can irritate throats, respiratory systems, and [formaldehyde](#), a carcinogen (which ranks the highest of all these ingredients on the EWG list).

CleanWell steers clear of these ingredients. Instead, the company argues that a good cleaning can be achieved using botanicals, namely thyme oil, a known disinfectant and antiseptic that appears in all their products. CleanWell sells online on Amazon or at more niche e-commerce sites, like Thrive Market, which specializes in non-GMO and natural foods and products. Resnick says the company is now looking to increase their distribution through natural grocery stores, as well as conventional retailers.

Resnick, the accidental entrepreneur, decided to bring a more experienced CEO in 2016, after making a few mistakes himself, he

admits. That, he says, has led to a “dramatic turnaround.” Revenues increased 66 percent year-over-year between 2016 and 2017. For the first time in the company’s history, CleanWell is now expected to be profitable.

Market research indicates that this growth may not be short-lived as consumers are becoming more conscious of their purchases and the ingredients they bring into their homes. One study conducted in December 2107 states that 91 percent of consumers surveyed would look for “natural ingredients” in a household cleaning product.

“Our goal is to redefine ‘clean,’” Resnick says, “by creating a new category of responsible cleaning that eliminates harmful bacteria and chemical residue. We certainly see ourselves as a mission-driven company.”

Resnick, who had worked at his family’s commercial real estate business in New York City for more than a decade, left the business in 2006 for business school. “I always had an interest in sustainability and became focused on investing in mission-driven companies,” he says. “CleanWell was a perfect fit.”

Making natural products is more costly, he admits. Depending on the particular product, it can cost anywhere from 30 to 50 percent more than conventional products, due to the ingredients used. That may cut into profit margins, if companies like CleanWell want to remain competitively priced.

CleanWell, though a new brand to many consumers, has been working with one of the most well-known eco-friendly brands in the household cleaning space--Seventh Generation. CleanWell's formula is in a number of Seventh Generation products, including their bathroom and all-purpose sprays, several wipe products, and a new spray that just started shipping last year. These products state the CleanWell connection on the Seventh Generation labels.

Resnick feels that they've finally hit the right combination of talent at the company and more astute consumers. "As it turns out, we are in the right place at the right time with the rise of consumer concerns about many of the ingredients in today's cleaning and personal care products."