

FOREST FIRE FORTUNE • WALL STREET'S RICHEST

Forbes

MAY 31, 2018



FRENCH PRESIDENT
**EMMANUEL
MACRON**

"I WANT THIS COUNTRY
OPEN TO DISRUPTION."

LEADER OF THE FREE MARKETS

AS TRUMP TOUTS TARIFFS AND BRITAIN BLUNDERS TOWARD
BREXIT, FRANCE (FINALLY) EMBRACES ENTREPRENEURSHIP.
PLUS: THE MOST POWERFUL PEOPLE ON EARTH

\$5.99US

20



71486 01638

EVEN NOW THAT Vital Farms ships 5 million eggs a week, it continues to try to reduce costs to attract more conventional consumers. Egg Central Station, for example, which trucks eggs nearly every day from its network of farmers, all within a day's drive, will help Vital Farms cut its prices 20 cents a carton. The company has also held down prices by selling a line of eggs that are not certified organic—the hens are raised in organic, pesticide-free pastures, but their feed is supplemented with GMO corn (Vital Farms wasn't affected by the recent salmonella recall).

Pricing and organic certification have loomed larger as Vital Farms has attracted competitors. One is Handsome Brook Farms, which sells organic, pasture-raised eggs. Founded in upstate New York the same year as Vital Farms, Handsome Brook produces an estimated \$18 million in revenue annually while selling in some 4,000 supermarkets, including Kroger and Publix.

Most Handsome Brook eggs are organic, and one of its investors, Gary Hirshberg,

suggests that Vital Farms' branding may mislead customers. "Vital Farms will have to do more in organic," says Hirshberg, cofounder of Stonyfield Organic, the yogurt business now owned by Lactalis. "That's what the consumer wants. Companies slap a barn on a label and it suddenly turns 'natural.'"

"We are extremely careful to be as clear as possible," O'Hayer responds. "If we were allowed to say 'not organic' on the label, we would." He adds that Vital Farms is growing its organic line. "We started out as 100% organic," he says, "but as we grew, we realized that to reach more lower-income and price-conscious consumers, we'd have to take some cost out. The market has proven this to be the right decision."

O'Hayer says sales were up 47% in the first quarter. He has plans to expand the sale of butter from pasture-raised cows, and he grins at the thought that Vital Farms has already exceeded his expectations. "When I stopped looking for the payoff, the big bucks," he says, "that's when I had the biggest success I've ever had." **F**

ing a new location in Grand Rapids to opening in other cities to developing a succession plan. The company shares equity with employees through a system Erickson designed himself.

ANISA INTERNATIONAL

ATLANTA, GEORGIA
FOUNDER: Anisa Telwar Kaicker
2017 REVENUE: \$50 million
EMPLOYEES: 604

Anisa Telwar Kaicker, who saw her mother build and then lose a \$100 million import-export business, has been selling private-label brushes to cosmetics companies for more than 25 years, the last 20 of them profitably. During that time she has revolutionized the making of a product that had long been an afterthought—in part, by asking whether manufacturers, mostly run by men, actually knew what was the right brush for a particular type of cosmetic. She opened a factory in China in 2002.

ACE METAL CRAFTS

BENSENVILLE, ILLINOIS
FOUNDERS: 16 factory workers
2017 REVENUE: \$20 million
EMPLOYEES: 125

Jean Pitzo admits she had no idea how Ace Metal Crafts made its products—stainless-steel components for equipment used in the food-processing and pharmaceutical industries—when her father, who bought the company in 1982, retired in 1989 and turned it over to her. That wasn't a problem, she says, because she trusted the employees to tell her what she needed to know. She shared the company's income statement long before most other open-book companies. "It just seemed obvious that the more information people had, the better decisions they would make." She also introduced the Toyota Production System, giving team members the responsibility to identify problems and brainstorm solutions.

AVID4 ADVENTURE

BOULDER, COLORADO
FOUNDER: David Secunda
2017 REVENUE: \$8 million
EMPLOYEES: 25 full-time and 650 part-time/seasonal

Avid4 Adventure is a company for avidly adventurous kids. It runs outdoor summer camps and school programs for children pre-K through 12th grade. They participate in a range of outdoor activities such as rock climbing, mountain biking, kayaking, hiking and paddling. Their enthusiasm has led to company growth of 30% to 40% annually for more than a decade, with camps in Colorado and California. To encourage hiring from within, the company has a leadership program that seasonal employees are invited to apply for after they have served at least one full summer. Those accepted spend two and a half months in Boulder, where they perform all the main functions of the company, from staffing to marketing to field operations to finance.



ZULU ALPHA KILO

TORONTO, ONTARIO
FOUNDER: Zak Mroueh
2017 REVENUE: \$16.7 million
EMPLOYEES: 100

Zak Mroueh left a partnership at an established Toronto advertising agency to start his own firm and do things differently. Most important, the agency refuses to follow the traditional practice of pitching clients on spec. Zulu insists on being paid for its work. The approach has no doubt slowed growth and lost clients, but the firm has been profitable for ten straight years and has managed to keep clients like Harley-Davidson, Bell Canada, Tim Hortons and Uber.