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Wondercide poised for growth

Whole Foods to be pitched in August

Premium content from Austin Business Journal by Christopher Calnan, Staff Writer

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Four years after launching, natural pest control product maker Wondercide LLC has received a Series A financing with plans to triple sales this year by convincing consumers that such products work as well as their toxic counterparts.

The Austin-based company isn't disclosing the amount of funding it collected except that it's in the mid six figures — or about \$500,000. Wondercide plans to use the capital to increase marketing in pursuit of 300 percent growth in revenue this year. It doesn't release revenue publicly, but its products are sold in about 250 stores across the country.

The company, which launched in Houston, employs seven workers and doesn't need to contract out production. It moved to Austin in January and now produces 50 products, including fertilizer and bed bug treatments.

CEO [Stephanie Boone](#) said Wonderside's products could revolutionize the pesticide industry because insects have grown resistant to the chemicals developed by traditional pesticide makers.

"It would take insects hundreds of thousands of years to build up a resistance to a biological effect" yielded by Wondercide's product, she said.

U.S. pesticide sales were about \$12.5 billion at the user level, accounting for 32 percent of the nearly \$40 billion world market in 2007, according to the latest figures supplied by the Environmental Protection Agency. Another \$12 billion was spent last year on supplies to keep pests

off of pets, according to the Connecticut-based American Pet Products Association, which is another target market for Wondercide.

Atlanta-based EcoSmart Technologies Inc. is the natural pesticide industry's dominant competitor. That company has raised about \$28 million since 2003.

Boone has funded Wondercide since launching and reported 100 percent annual growth in sales without advertising.

She hopes a larger distribution network will help her meet her goal of 300 percent revenue growth this year. She is scheduled to meet with officials from Whole Foods Market Inc. (Nasdaq: WFM) in the coming weeks to explore the chances of a regional deal.

Boone plans for Wondercide to eventually generate about 75 percent of its business directly with consumers and the remainder through retailers and distributors. The mix would provide higher profit margins coupled with greater opportunities to educate consumers about nontoxic products, she said.

Austin-based Revolution Group LLC, founded earlier this year, is Wondercide's lone investor. The firm plans to invest in startup and midmarket companies focused on manufacturing and industrial markets, Managing Director [Matthew Bray](#) said.

It has also invested in Baron Energy, a San Marcos-based oil and gas exploration and production company with operations focused in the Permian Basin of West Texas. Bray was previously the president of San Saba-based International Brucite Corp. Before that he was vice president of Ohio-based Pilot Chemical Co.

Wondercide's chief challenge is convincing prospective customers that natural pesticides can do the job as well as conventional toxic products. To do that, the company plans to showcase the products at trade shows and industry conventions, Bray said.

"It takes a while for market acceptance," he said. "Once that market acceptance happens — that these can be as effective — [Boone] will have rapid growth."

Other startups are capitalizing on the green game, especially where it intersects the lucrative pet market.

In 2009, Austin's Energetic Solutions LLC launched a nontoxic pest treatment product called Shoo Tag — a credit card-sized plastic tag with a strip that emits electromagnetic frequencies to interact with the wearer's energy field, making fleas and other bugs disoriented.

[Michael Landa](#), CEO of a relatively new Austin-based nutritional pet food maker called Nulo Inc., said the natural pet food market is growing about 13 percent annually, and natural pet care products developed by Wondercide would parallel that trend.

"There's definitely a shift in consumers gravitating toward natural products," he said.

Boone is also the CEO of Boon Technologies LLC, Wondercide's Austin-based parent company of which Bray is a director.

Before starting her own businesses, Boone was the director of appraisals and acquisitions of Houston-based Diversified Land Holdings Inc. She was also the director of operations and litigation manager for Dallas-based Real Estate Tax Consultants Inc., a property tax consulting firm.

Such experience has little to do with pet supplies. But Boone became interested in nontoxic pesticides after her 10-year-old dog, Luna, became ill from a conventional treatment. As a result, she decided to come up with an alternative.

"It's really been a labor of love," she said, "and very rewarding."

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