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## MATT WOOD PUTS THE 'PRO' IN 'PROBIOTICS'

"By manufacturing beneficial microbes, we  
can develop ways to use them for more  
healthy food and for sustainability products."

**Matt Wood**  
CEO and founder // SDC Probiotics

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**O, YES!**

They say that you can't call Oprah, she calls you. So imagine the excitement at SCD Probiotics the day the editors of Oprah's *O Magazine* called.

The company's Happy Farmer Kitchen Composter Kit appeared as an example at No. 36 on the magazine's "100 Things That Are Getting Better."

The magazine said, "Thanks to apartment-friendly composting bins (like the Happy Farmer Kitchen Composter Kit, \$65; [NaturalGoodLife.com](http://NaturalGoodLife.com)), last night's dinner can now easily be turned into something good for Mother Earth."

Matt Wood, SCD's founder and CEO, said, "It was interesting to get a glimpse of the Oprah effect."





# Matt Wood Puts the 'Pro' in 'Probiotics'

Entrepreneur has built SCD Probiotics into a global microbes company.

By Kate Leibsle

## ENTREPRENEUR

Matt Wood

## COMPANY INFORMATION

SCD Probiotics  
World Headquarters  
1627 Main Street, Ste. 700  
Kansas City, MO 64108  
(913) 541-9299  
www.scdprobiotics.com  
www.facebook.com/  
SCDProbiotics

## TYPE OF BUSINESS

Microbe and  
probiotic development

## YEAR FOUNDED 1998

## EMPLOYEES 20

## KEYS TO SUCCESS

"To have growth, you have to grow your team. You have to be willing to spend to get the premium people on the bus."

Matt Wood

**T**wenty-five years ago, it wouldn't have been possible for Matt Wood to start and grow his company, SCD Probiotics. It's not that probiotics and microbes are anything new, but the technology necessary for Wood and his team to cultivate, grow and ultimately find a market for them didn't exist until relatively recently. The demand for a way to produce healthier, more sustainable foods is also fairly recent.

Being ahead of his time, Wood has been able to position his company as an industry leader. SCD Probiotics produces microbes and sells them to developers of products in industries such as agriculture, industrial waste and bioremediation, aquaculture, residential home and garden and human health. The company also manufactures a few private label products in its downtown production facility, although it doesn't sell directly to end-users.

"Microbes are the missing link," Wood said. "They are ubiquitous—they are all around us. By manufacturing beneficial microbes, we can develop ways to use them for more healthy food and for sustainability products."

## Reason for Being

Building SCD has played into Wood's passion for improving food and products we use every day. But, it took a series of sad events to move him to the point of action.

The summer before Wood started high school, his mother was diagnosed with cancer. She spent four years in and out of treatment before she died during his freshman year at the University of Oregon. A year earlier, his maternal grandmother had also died from cancer.

When his mother died, Wood left school. In the winter of 1994, he moved in to care for his

grandfather, who needed around-the-clock care because of advanced stage cancer. His grandfather died in November 1995.

The three deaths in three years were a blow to Wood, and full of lessons as well.

"It was all a big wake-up call for me of how fragile and how quickly life can change," he said.

The deaths spurred Wood, who admits he hadn't always taken his academic life as seriously as he should have, to recommit to school. He enrolled at the University of Missouri to study agriculture, specifically soil science and pursue his interest in the connection between human health and agriculture. Combining that with an interest in environmental issues, he really knew he'd found his passion when he landed a spot at the Earth University in Costa Rica, while an MU student.

## Japan Calls

Wood was working in Costa Rica when a professor handed him the book that would, literally, change his life, and still sits on his desk today.

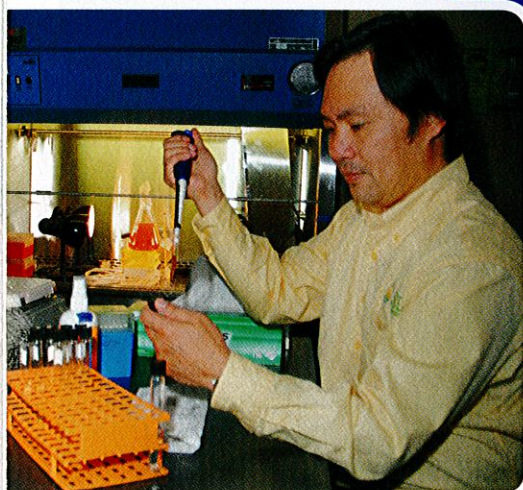


**RIGHT** // Greenman licensee production facility in Veszprém, Hungary, which takes the SCD Probiotics mother culture and creates secondary products for use in agriculture, human health and companion animals. Staff pictured are **György Peretsényi, Szabolcs Menyhárt, Dr. Rita Józsa** and **Dr. András Hidas**. (Photo courtesy of SCD Probiotics.)



**TOP** // Kimo Landos, production assistant, and James Doyle, facilities associate, work on the production line to ready a shipment of food spray for the digestive systems of dogs.

**BELOW** // Research and quality control senior manager Narin Tipsrisukond gets probiotic samples ready for testing.



"It was *An Earth Saving Revolution* by Teruo Higa," Wood said. "I couldn't put it down.

"I thought, 'If even a fraction of this is true, I could dedicate my life to it.'"

After finishing his undergraduate degree in soil science at MU, Wood moved to Japan to work with Higa and test the author's theories about how effectively using microbes could impact not just food, but a host of products and environmental situations.

SCD actually was born while Wood was still in Japan. While at MU, Wood had started a company in his garage importing and distributing microbial products from Japan. In 1999, he'd opened a warehouse and office location in Lenexa, hiring a manager to run the company while he was in Japan.

When he returned to Kansas City in 2002, he continued running the business as a distributorship, while setting up the manufacturing side of the business.

### Garage to Global

In the past 13 years, Wood has grown SCD from a garage operation to more than 20 employees. The company has distributors and licensees around the world: there are licensees in 23 countries, with sales to more than 30 countries.

In late July, SCD hosted a conference in Poland for its European distributors. Wood received several awards from government officials there for the company's work in promoting microbes and probiotics for sustainable agriculture and environment.

Wood can't really explain why 85 percent of SCD's business is exports. The best theory he has is that other countries are further along in the natural/sustainable/green movement and more readily see the benefits of microbes. Those countries were a natural place to find customers, although Wood didn't set out to build an international company.

"We've just been responding to opportunities," he said.

However, Wood sees that percentage changing more in favor of domestic distribution in the next five years as American companies and consumers continue advancing the cause of sustainability and better environmental practices.

"By 2015, we want sales to be at least 50-50, if not 80 percent of our sales coming from the United States," he said.

### Scientist to Businessman

Along the way to building a successful business, Wood, the scientist, has become a businessman.

"It's been a lot of trial and error," he said. "I think the key has been to surround myself with people who are a lot more experienced and smarter. They are constantly providing information and giving me quality feedback."

As much as he appreciates everyone on his

team now, it took Wood more time than he would have liked to realize the value of finding the right people.

"It took me longer to figure out that it is all about the people," he said. "I wish I had been more willing to invest in talented and experienced people earlier. To have growth, you have to grow your team. You have to be willing to spend to get the premium people on the bus."

Wood said that his father also has been an integral part of SCD's success because of the advice he's offered through the years on financial issues.

"He's a banker, so I've always had someone to advise me on financials," Wood said. "I majored in soil science—I took no business classes. He taught me how to read an income statement and balance sheet."

Wood also credits his participation in the Helzberg Entrepreneurial Mentoring Program and establishment of an advisory board early on as keys to his success.



### Future is About Growth

The company's biggest opportunity for the future, Wood said, lies in agriculture: developing microbes and probiotics that can be used to enhance efficiency of fertilizers, thereby decreasing the net cost of those fertilizers.

SCD's competitors are other microbial companies, as well as chemical and pharmaceutical companies because SCD Probiotics products



replace or reduce the use of traditional chemicals and pharmaceuticals.

That's one of the reasons SCD works primarily as a licensing company. As a small company, SCD wouldn't be able to compete head-to-head in manufacturing with larger corporations. But by licensing its microbes, the technology is able to reach a wider audience and SCD collects royalties on products that use its microbes.

"There would have been a lot more to it if we'd gone through the effort of getting capital for product development, then finding capital for distribution," he said.

Wood is confident about the company's future, based on its recent performance. This fall will see the release of a product to help the digestive systems of dogs. And SCD also will be expanding its physical site within the next six months, he said. The company just moved into a new space in February, but already needs more, as it looks to add employees.

In January, SCD, which is a 2010 Thinking Bigger Business Media 25 Under 25® honoree, began partnering with OCCU-TEC, a member of the 25 Under 25® Class of 2006, on distribution of probiotic products aimed at consumers.

Today, OCCU-TEC markets the "Innovative ProBiotics" branded products through its e-commerce site, [www.InnovativeProbiotics.com](http://www.InnovativeProbiotics.com).

OCCU-TEC also operates as an end-use provider of industrial products for SCD Probiotics, educating government and business customers and offering solutions using beneficial microbial technology.

Long-term, Wood would like to grow the number of SCD licensees from its current 30 to 100, and continuing to keep production levels growing is also a top priority.

"That's the big metric for us: how many liters we produce," he said. "The more we produce, the better it is for the world. Last year we produced 50 percent more than the year before. We want to keep that growing."

#### Committed to KC

Wood isn't the only one who believes in the potential for SCD's continued growth. When the company made its intentions known to renovate and expand the production facility and look for new office space, both Kansas and Missouri economic development officials were interested in wooing the company.

"It was fascinating—the process—to watch the states compete," Wood said.

**"I think the key has been to surround myself with people who are a lot more experienced and smarter."**

**Matt Wood** // CEO and founder, SCD Probiotics



In the end, the state of Missouri developed the best plan for SCD. The company will receive a \$1.4 million incentive package for expansion. Moving into its new headquarters in February jumpstarted the renovation of the production facility at 1327 E 9th St., in the Paseo West District of downtown Kansas City, Mo.

The location is a key for Wood. It's in an underdeveloped area, which he wanted even before getting the state package.

"We're not obligated to stay in such an area, but that was always our intent," he said.

Wood said he is committed to growing the company himself.

"We have had offers to sell," he said. "But I think we would have been giving up the reward that will come later."

And, Wood and the SCD team obviously are focused on trying to make the world a better place. He sees his business as a pairing of his passion for health and his entrepreneurial brain.

What would his mother and grandparents think of his efforts?

"They'd be very pleased," he said. "I definitely sleep well at night on that front." ■

*Kate Leibsle is a writer for Thinking Bigger Business.*  
[kleibsle@thinkbigger.com](mailto:kleibsle@thinkbigger.com)

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