

Rochester proves it's a rich environment for eco-friendly firms

Growing interest in sustainability helps startups thrive, widen impact

By TROY L. SMITH

Jennifer Indovina has an interesting take on why more businesses are focusing on sustainability than ever before.

"I think it's because sustainability opens up the opportunity to literally redesign everything," says Indovina, CEO of Tenrehte Technologies Inc. "It's insane. It's crazy. It means we have to remake everything that has ever been made in the history of humanity so that it doesn't waste energy."

Indovina's thoughts are at the heart of a business shift that has occurred over the past decade. A better cultural understanding of the world's environmental challenges has led to more green-friendly companies popping up, a trend Rochester has not been immune to.

Indovina is certainly doing her part. Tenrehte Technologies makes WiFi-enabled products that manage energy use in homes and offices. It sells a PICOWatt wireless plug that helps consumers identify and manage their energy use.

Indovina co-founded the company in 2009 with her father, Mark Indovina, who is chief operating officer, and Russell Priebe, Tenrehte's chief technology officer. The company won the Rochester Regional Business Plan Contest in 2010 and won in the green technology category at the Consumer Electronics Show in Las Vegas the same year.

Indovina says Tenrehte has tripled its revenues in the past year, selling PICOWatt worldwide. She says the company's sales have increased as the world continues to warm up to issues like energy conservation.

"All of the opportunity created by sustainability lends itself to creating an entrepreneurial environment," Indovina says. "Whether it's an established company or new business ventures, you're seeing the world change and new products and services are now centered on sustainability."



One of those new local ventures belongs to Shelly Thomas, founder of Modest Wanderer & Co. Anyone wondering if a movie can change a life should look at Thomas as an example.

In late 2011, Thomas stumbled upon "Forks Over Knives," a documentary advocating the health benefits of a plant-based diet. As Thomas investigated further, she had an epiphany.

"I started doing more research about the environment," she says. "I took up a vegan diet. I tried to buy products that were more sustainable and take a look at how much energy I was using throughout the day."

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The lifestyle changes led Thomas, who was working as a substitute teacher in the Churchville-Chili Central School District, to a new career path.

She founded Modest Wanderer & Co. last September. The company buys and sells a wide range of eco-friendly products such as books and household items like bottle openers and pillows.

One local company Thomas may someday soon consider being a vendor for is Rochester furniture design and manufacturing company Staach Inc.

The company was founded by Roches-

ter Institute of Technology student Seth Eshelman during his senior year. Staach manufactures furniture such as tables, chairs and stools made from sustainable forest products and natural materials. The furniture is made using a limited number of tools to reduce the amount of human energy spent.

Anne Sherman is sustainability ambassador for Staach. Her job entails talking with media representatives, stakeholders and the community to educate people on initiatives in business and the broader community that can benefit the environment.

Sherman says Staach also takes pride in its strong commitment to ethical work. For instance, Staach pays its employees a living wage, one that enables a worker to maintain an adequate standard of living, as opposed to a minimum wage.

Sherman admits Staach's commitment to sustainability may cost the company more. For example, she says, the wood can cost between 10 to 30 percent more.

But she insists that upfront costs can be far outweighed by broader, long-term expenses.

"We might spend a bit more on wood, but over the long run of things, it's less of a cost to our society and environment," she says. "We factor that in as well."

From a business standpoint, things have worked out well for Staach. Its core values have attracted like-minded clients that include major businesses like Google Inc. and Starbucks Coffee Co.

Staach has doubled employment during the past year, Sherman says. She would not give a specific employee count or specific revenue totals, but Staach's success seems to fall in line with some recent studies of

how businesses committed to sustainability have become more profitable.

A study released in February by the MIT Sloan Management Review and the Boston Consulting Group shows that companies reporting a profit from sustainability efforts increased from 14 percent in 2011 to 37 percent in 2012. The survey involved more than 2,600 companies around the world.

Sherman says Staach is in the process of registering as a benefit corporation, which is a corporation enabled by law to benefit society as well as its shareholders. The state law on benefit corporations took effect in early 2012 and has become part of the movement to push the standards for business success beyond profitability.

Sherman says efforts like benefit corporations have helped make it easier than it once was to maintain a business focused on sustainability and best environmental practices.

“It definitely would have been harder 10 years ago,” she says. “The proposition was also different then. The attitude towards sustainability has been evolving. Major

episodes have brought people more awareness of what the impacts are.”

Another factor in Staach’s success, Sherman says, has been Rochester. She says the costs of running a business here are much easier to deal with than in larger cities, while social and environmental awareness remains high.

“Rochester was a great place for us to start Staach,” she says. “Space here is much less expensive than a major city like New York, Boston or even Philadelphia. There’s also a lot of environmental knowledge here that continues to grow.”

Indovina, also an RIT graduate, agrees, saying the cost of living in Rochester and the talent coming out of local universities make the area a great place for startups.

“The resources that are available to an entrepreneur in Rochester are so competitive compared to big cities,” Indovina says. “When you’re trying to change the world with an idea or fight the fight in a big city like New York or San Francisco, you’re creating all these hurdles as an entrepreneur that you shouldn’t create, like cost of living

and cost of acquiring growth.”

Thomas says she spends much of her time traveling the country to cities like Denver, Portland, Ore., and Berkeley, Calif., where companies like Modest Wanderer are more common. Still, she thinks Rochester is catching up.

Modest Wanderer has been able to grow with a customer base made up primarily of Rochester residents who have taken to Thomas’ environmentally conscious message.

Thomas points to the Greentopia Festival, a weeklong event in September that celebrates art, environmental activism and organic and locally grown food, as helping to raise awareness of environmental issues and eco-friendly businesses.

“I think Rochester is becoming more prevalent on the East Coast for things like this,” she says. “You can see it in things like the Greentopia Festival and more companies that are eco-friendly. I’m hoping to keep moving forward with Modest Wanderer and the type of environment we all hope to have one day.”

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