

Dirty water opens cash-flow taps for local filtration firms.

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Increasing public concerns about drinking water quality a boon to Aquasmart Technologies Inc. and other Lower Mainland companies Glen Korstrom Local water-filtration companies have been deluged with new orders in the wake of the Lower Mainland's recent boil-water advisory and a growing consensus that the region's unfiltered water supply is substandard.

Orders tripled at Burnaby water filtration system retailer Aquasmart Technologies Inc. as soon as health authorities issued the November 16 boil-water advisory. Vancouver's Wa-! Water Co. is having it even better. The water filtration system seller saw a tenfold jump in new customers in the first week of the advisory. Both companies sell water filtration systems for homes and offices.



"It's been crazy. That's the only way I can describe it," said Aquasmart founder and president Emily Testa. "Normally we have 50 orders on a Friday, but last Friday we had 150 orders." Many were multiple-item orders for products such as replacement filters, shower purifiers or filtered sports bottles.

More than three-quarters of Testa's seven-figure annual revenue comes from three products:

- Moveable two-stage countertop filtering system;
- Permanent under-the-sink reverse osmosis filtering system; and shower filters.

Testa founded the company in 1984, after she moved to Vancouver from her native Italy. Aquasmart revenue grew to the seven-figure range in the 1990s, and by 2000 Testa was wholesaling her systems to Revy Home and Garden, the Home Depot and other big box retailers. Since then, she has drastically changed her business model. Six years ago, approximately 90 per cent of her revenue came from wholesaling; the remainder came from retailing direct to consumer. Today, those figures are reversed, she said.

"I just got fed up dealing with buyers. They became prima donnas and were always asking for more and more. Finally, I said 'no.' I was paying all these reps, but basically, I was doing all the selling from here," Testa said from her single retail store in Burnaby near Willingdon and Canada Way. She urges all customers to get their water tested in labs like Surrey's Norwest Labs. Vancouver sterilizes its water with chlorine; Calgary sterilizes water with fluoride and Edmonton uses a mix of chlorine and ammonia.

Knowing exactly what's in the water can help determine how many filters are required, she said. Testa added that her filtering systems can remove chlorine, sediment, heavy metals, giardia, cryptosporidium, blastocyst and other water-borne parasites. Vancouver-based serial entrepreneur Glenn Bailey has taken his Wa-2! Water Co. from concept to 2,700 accounts in five years. Bailey founded bottled water giant Canadian Springs with Cam Watt in 1986. Ten years later, the company was generating annual revenue of \$14 million, and the duo sold Canadian Springs to a division of PepsiCo, Inc. for "tens of millions" of dollars.

As part of the deal, Bailey signed a five-year non-compete clause. Once that clause expired, he realized that on-site water filtration made more sense than bottling water for coolers. "Our method delivers a lot of benefits to the consumer and to the environment," said the 44-year-old former Business in Vancouver 40 under 40 winner. "[Bottled water distributors] take water, put it in a bottle, put it in a truck, drive it across town, take it off the truck, put it on a cart, carry the cart into the building and then store it in either a garage or an office. Then someone has to pick the bottle up."

Wa-2! rents its systems for between \$29 and \$70 per month. Aquasmart sells its systems for between \$160 and \$500. Aquasmart has customers across North America whereas all of Wa-2!'s clients are in B.C.

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