

WHERE ARE THESE SMALL BUSINESSES NOW?



Steve Gerson shows his product VegieFresh at his warehouse in Pompano Beach. He makes a product that slows down the decay of food, allowing food to stay fresher longer.

RD FRESH: OPENING NEW DOORS

When The Miami Herald performed a small-business makeover on Steve Gerson's company in January 2010, he was struggling to market his refrigerator dehumidifiers. He had invested about

\$200,000 on research and development to create a filtration system that keeps food fresher 50 percent longer by using minerals as a natural dehumidifier to decrease food spoilage and smelly coolers. The company, founded in 2008, had a loyal following in South Florida among a small group of restaurants, hotels and hospitals, but not a single supermarket chain would carry his product. Gerson was still deep in the red.

Today, Gerson reports that RD Fresh and its companion retail sales company, VegieFresh, is a successful multimillion-dollar business. He estimates commercial sales will reach at least \$2 million this year and retail will also total in the single-digit millions. "It's going exactly as planned," he said. "It's been a wonderful ride for the last two years. But nothing in business that is supposed to work worked. It was just belief in myself and belief in my product."

After Gerson failed to get a foothold in South Florida supermarkets, he headed to the Midwest, looking for smaller markets with medium-sized stores. Eventually, Lunds, Byerly's, Ultra Foods and other chains started selling VegieFresh. He also found distributors to handle commercial customers in Texas, Virginia, Washington and Oregon.

"It was more about customer relationships than customer service," he explained. "I say hello to the dishwashers and the pantry guys. It's not just about making a sale and changing filter bags. It's about establishing a relationship with the client that goes far beyond that. And that's what I tell my distributors."

Rafael Cruz, regional director of the Florida Small Business Development Center in Broward County who evaluated the company for the makeover, said Gerson's strategy worked perfectly. "People always go for the No. 1. Publix is the chain, or Whole Foods, so I'm going to just keep knocking on their door until they open it. But why don't you try No. 2 or No. 3," he said. "Take soda. Coca-Cola is No. 1 and Pepsi is No. 2. Most people can't name No. 3, but No. 3 still sells millions in soda every day." Cruz said while he suggested Gerson look at social media as a marketing means, Gerson did what matters most in business.

"He just implemented a good solid business strategy instead of wasting money on this fancy stuff," he said. "Every business should have a website, but it should have a website that serves the business. "Steve's a salesperson. You could tell he had passion. He knew the science behind the product," he continued. "The toys change, but the game doesn't. You can have all the flash and all the games in the world, but if you don't have a good business, you won't succeed."