

# TIME

Style & Design

## The Luxury Index

A Complete Guide  
To the Best Products, People  
And Places of 2007



**Word of mouth** Sloan Barnett, third from right, hosted Shaklee parties to raise awareness about the products

## Putting the Green Into Clean

Shaklee had been rolling out nontoxic, biodegradable products long before going green was stylish. Now, with the earth-friendly market exploding, Roger Barnett is taking the company to the next level

By Amanda Bower

**B**ACK WHEN HE WAS establishing his career in investment banking, Roger Barnett made all the right moves: degrees from Harvard and Yale; jobs in London, Paris and New York City; and regular appearances in the society pages along with his wife Sloan. Today Barnett, 43, has a job at a direct-selling company in a nondescript office park about an hour inland from San Francisco. Like most people in direct sales, he has a touch of the evangelist about him. He really, really wants you to like the cleaning products, vitamin supplements and beauty products he's representing. Sloan, for her part, has been boosting the new business by hosting parties to demonstrate her husband's wares. Sound like a fall from grace? Far from it. Roger Barnett is richer—and happier—than ever.

Three years ago, Barnett spent about \$310 million of his money to buy Shaklee, a company that devoted itself to manufacturing earth-friendly products long before *green* meant anything more than a color made by mixing blue and yellow. Founded by California chiropractor Forrester Shaklee in 1956, the company introduced a nontoxic, biodegradable cleaner in 1960 and a phosphate-free laundry detergent in 1972 and sold lines of natural health supplements and skin-care products. In 2000 it became the first

company in the world to entirely offset its carbon emissions and be certified climate neutral. But Shaklee's sales weren't as impressive as its environmental credentials. They were essentially the same in 2004 as they had been a decade before, despite significant growth in the overall "green" market. Barnett, who in 2003 was casting about for his next investment, saw a golden opportunity: great products, exploding market, terrible marketing.

"Shaklee was a pioneer of the green movement and had probably the longest-term, most loyal consumers of any consumer product I've seen, but it was a secret to many other people," says Barnett, who acknowledges that although he'd heard of the company back in the 1980s, when it was publicly traded in the U.S. and listed on the **FORTUNE** 500, he didn't know exactly what Shaklee made. "But this is a trillion-dollar industry. Shaklee's growth potential was unlimited," he says. "And in the long run, I think it's more fun and rewarding to be in a business where you think you're doing something good, as opposed to just making money."

Have no fear—Shaklee is once again making money. Since the charismatic businessman took over as chairman and **CEO**, Shaklee has been posting growth in the double digits. Barnett says he regularly strikes a golden gong on the second floor of the Pleasanton, Calif., headquarters to celebrate days when sales exceed \$1 million. "It's fun to hit the gong," he says with a smile. "Sometimes we gong almost every day of the week."

Barnett's vision—that being green would feel good and earn him a whole lot of green—is symbolic of a marketplace revolution, says Yale's Daniel Esty, the co-author of *Green to Gold: How Smart Companies Use Environmental Strategy to Innovate, Create Value, and Build Competitive Advantage*. **CEOs** are "falling over one another," Esty says, to address climate change within their companies, while billions of venture-capital dollars are being poured into technological solutions for the planet's environmental woes.



"And then you have Shaklee, with a 50-year history of doing this," says Esty, who believes the company is in a class of its own. "I do not know of another company that has as broad a commitment to sustainability as Shaklee. Roger Barnett is bringing star quality to it and has really given Shaklee momentum and purpose."

One of the biggest moves Barnett has made at Shaklee is completely redesigning all his products' packaging, which has transformed the household-cleaning line from something you'd expect to find at Grandma's to something many young hipsters (a market Barnett knows he must attract) would be proud to show on their shelves. Barnett had his San Francisco design firm's team discard two completed designs before deciding on a third, one he felt was the perfect science-meets-nature theme for every Shaklee line. The new dishwasher-powder label shows a stack of plates lined up next to leaf fronds; a tub of scouring paste depicts green

## The packaging has won design awards, but more important, it's won rave reviews from Oprah

**Eco-friendly expansion** *Shaklee CEO Roger Barnett, above, created a new look for products, below, to reach an ever growing green market*

leaves rising from a heavy-duty pan; the laundry stain soaker has not only the requisite plant material but a puppy too. "When you look at it, when you're sitting around your home, it reinforces that you're doing a good thing," says Barnett. "And there's no sacrifice you have to make. In the green movement, people felt they were forced to choose between their convictions and performance. We put it right on the bottle: We



believe you should not have to choose.”

The packaging has won design awards, but more important, it has won rave reviews from people like Oprah Winfrey, who showcased a number of environmentally friendly products on her Earth Day show. She waved toward the others, saying “You know, I haven’t tried those products. But I have tried this [the dishwasher powder]. I use this now ... I love the packaging.” Winfrey then raved about Shaklee’s Basic H2, an improved, more concentrated version of the cleaner that Forrest Shaklee introduced in 1960. “It’s amazing,” she said. “You can clean the windows. You can clean the counters. You can clean the floors. You can clean the dishes. You can clean everything ... Love it. Love that H2.”

Love that kind of publicity. Because no matter how much people say they want to save the planet, analysts of consumer behavior say there are three bigger motivations when people select products: price, brand recognition and fashionability. Shaklee does well on the first: it says an \$11.95 16-oz. (473 ml) bottle of the H2 cleaner, when diluted according to the directions for cleaning windows, makes up the equivalent of 5,824 bottles of 26-oz. (769 ml) Windex.

And Barnett has been working hard on the other two. Knowing what Hollywood did for Toyota’s Prius, Shaklee’s publicity team has

set up tables at the Emmy Awards and plans the same for the Oscars. Barnett has joined the board of the celebrity-heavy Environmental Media Association (**EMA**), which is a nonprofit Shaklee distributor (every purchase earns the **EMA** a donation). And those parties Sloan Barnett threw? They were attended by people with last names like Rockefeller, Seinfeld and Trump.

“The reason why we did these home parties was not to increase sales,” says Roger Barnett. “The company’s big enough that those individual sales aren’t impactful. But we felt an obligation to our friends to share it with them, and they’re all thanking us.” But didn’t Sloan’s printed invitations mention that the *New York Times* might cover the event? Roger laughs. “And we got the *New York Times* to cover it. That’s good too.”

Despite all the publicity and media attention, Shaklee is still a secret to many people, perhaps because the company buys no advertising and its products cannot be found in supermarkets. According to the Kline Group, 89% of cleaning products sold last year in the U.S. were bought in food stores and from mass merchandisers. So why on earth hasn’t Barnett moved away from the Mary Kay model and put Shaklee on the shelves?

“We think that the most compelling way to get people to live a greener, healthier life is to help educate them,” says Barnett. “There’s not enough time in a 30-second TV ad to properly explain the need.” Instead, Shaklee’s 750,000 members and distributors go into people’s homes, talk about the toxic chemicals in regular cleaners and demonstrate how to use Shaklee’s nontoxic, superconcentrated (using less packaging) products—in either Spanish or English. “Their selling model is to work on environmental education at the same time,” says Yale’s Esty. “It really is taking the whole commitment to reducing chemical exposure to a higher level.”

For those who still can’t quite shake the notion that a direct-selling party is incredibly uncool, there’s the Internet—both for buying Shaklee products and for learning about them. “The next generation is the most networked generation in history,” says Barnett, who is on Facebook. “They’re constantly talking and referring. Our business model is not dependent on people gathering in a home to demonstrate it. It’s dependent on people learning something they didn’t know, having a positive experience with our products and then sharing that with their friends.” No matter how famous or ordinary those friends are. ■