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## A New Pursuit For Social Entrepreneurship: Profits

By Kerry Flynn; June 20, 2014

John Schoch, CEO of Profile Products — a \$70 million company that manufactures and distributes products for soil and water management in 90 countries — decided four years ago to direct his company's expertise to a global crisis: clean water.

For decades, Profile Products has mined clay by the Mississippi River to create porous ceramic particles on golf courses and sports fields. An acquaintance of Schoch, involved in the clean water industry, wondered to the CEO if Profile's technology could be adapted to serve his work in the developing world.

Exposed to the staggering statistics of deaths from water-borne diseases internationally, Schoch said that he saw market potential if his company could design a simple yet innovative product. About 780 million people worldwide lack access to clean water, and more than 3.4 million people die each year as a result, according to the World Health Organization.

Schoch established ProCleanse LLC in 2010 as a for-profit subsidiary to Profile, allowing the endeavor to have its own branding opportunities while relying on the financial support of his nearly 60-year-old enterprise. After four years and millions of dollars invested in intensive research and development, ProCleanse has released a product that generates five gallons of clean water an hour and lasts for 10 years without chemical additions, components replacements, or frequent maintenance.



*Michael Robeson, general manager of ProCleanse, helped organize a 600-unit, six-month testing of the filter in Ghana with the support of World Vision.*

“We created a product that we knew was not going to be put on the shelf. It was not going to be sold in a catalogue. It was going to be of people who do not have the immediate means to buy water filtration devices but have the need,” Schoch said.

Users pour unfiltered water into the top of the product, designed as a blue plastic bucket weighing about 40 pounds. As gravity pulls the water through the system, ceramic particles trap microorganisms and then metal ions attach to the pathogens’ cell walls, leaving the bacteria and viruses present but not harmful. The disinfected water is then stored in an adjacent 18-liter chamber.

The product is a success in its innovative design and was recognized as such by the U.S. Department of State and U.S. Water Partnership at a March event. The system requires no assembly other than an activation of the ions and the only maintenance involves scooping off sediments after occasional buildup. The company estimates that the device will last more than 10 years, a quality that outshines many other filtration devices, and will cost less than \$0.001 per liter over that lifetime.

The hardest part and their current task has been distribution in the large market, and therefore, making revenues. And so, ProCleanse connected with the Global Environment and Technology Foundation, a nonprofit that supports sustainable development through coordinating partnerships.

According to Schoch, the company has considered taking a microfinancing model, selling the product to villages on small loans, but has so far relied on establishing partnerships with governmental, non-governmental, and faith-based organizations — some of which have begun to take off.

The product attracted the attention of Rotary Club International, which has made clean water a focus of their international service efforts and is currently ProCleanse's largest funding channel. The Rotary Club, in joint efforts between individual clubs and other agencies, has already financed some units. Currently, the club is coordinating the distribution of a proposed 10,000 units in Guatemala and 5,000 in Ecuador. ProCleanse is also working with Oxfam International on distributing in Haiti.

In Ghana, ProCleanse is undergoing a 600-unit field test by the international nonprofit World Vision and other agencies. The six-month testing phase is halfway through, and Schoch said that he expects the results to be positive. Those results can then be used in the company's efforts to recruit further funding.

As to profits, Schoch says he is putting faith in the strength of the technology and the growth of its current partnerships: "We believe that there is a payoff, or we wouldn't keep doing it."

For Schoch and his companies, the endeavor of for-profit social entrepreneurship has generated wide enthusiasm and energy, inspiring innovation at Profile Products and further projects under ProCleanse. ProCleanse recently patented a cleansing pouch for larger water storage systems. And while continuing to sustain and grow Profile, Schoch said he has explored ways to connect the distribution channels.

"ProCleanse has been driven by some creative people that work for us. We continuously ask, 'How are we creative?'; 'How are we innovative?'; 'How do we create those wow moments in the markets that were in?'" Schoch said.