





Smart Idea Smart Business SMARTPAK

One horsewoman saw a need and turned it into a multi-million dollar business.

By Elizabeth Elkins • Photos by Jay Abend

When Becky Minard rescued Westley from a horse dealer, the Thoroughbred/Quarter Horse cross was all skin and bones, and it was clear he needed a lot of love and good nutrition. Minard's veterinarian suggested Vitamin E (for an eye problem), a joint supplement and a daily dewormer.

Despite the fact that Westley was boarded at a top barn in Massachusetts, it became clear he wasn't getting these necessary supplements, so Minard talked with her barn manager who explained the difficulty: A large dressage barn might have 40 horses that each require specific brand-name supplements with different dosages. If each horse needs three supplements, that's 120 bulk supplements to be opened, measured, fed and resealed at each feeding. Correctly feeding supplements was, at best, difficult and time-consuming. At worst, it was impossible.

Further investigation revealed that some managers refused to feed supplements at all. Others required all boarders to use the same brands. The manager at Minard's barn expected horse owners to fill small plastic bags with daily doses weeks in advance. Minard's science background kicked in—she has a degree in neuroscience. Would it be safe to combine these supplements and leave them in plastic for weeks on end? She called the manufacturers who expressed the same concern, so her research continued. Showing and traveling only compounded the supplement chaos. Horse owners clearly spent big money on supplements but, in many cases, had no peace of mind. This problem sent the 36-year-old dressage and eventing rider on a mission.

How Minard and her husband, Paal Gisholt, 37, transformed a simple necessity into a national success story is a textbook example of business acumen and good horse sense. Their company, SmartPak, began packaging supplements and medicines in small plastic wells for each individual horse in

Becky Minard (left) holds Westley with her husband and business partner Paal Gisholt. At right is SmartPak's vice president of new business, Jaralyn Gibson.



When not at their SmartPak duties, Gibson (left) and Minard practice their dressage.

1999. Less than four years after the couple founded the company, SmartPak ships more than a million wells of supplements per month and has customers in all 50 states. SmartPak can provide 160 different supplements including vitamins/minerals, antioxidants, daily wormers, electrolytes and more. With a veterinarian's prescription, customers also can choose from more than 25 medications,

such as antibiotics, anti-inflammatory drugs and pain medications, many of which are available in flavored versions mixed by SmartPak's own pharmacy.

Birth of an Idea

Horses have always been the central focus of Becky Minard's life. As a child, she rode in the New Canaan Mounted Troop, a military-style riding club that focused

on eventing and horse care. As a teenager, she experimented with the hunter/jumper world. By the time she matriculated at Mount Holyoke College in South Hadley, Massachusetts, her focus had begun to shift to dressage and eventing.

After leaving Mount Holyoke, Minard went to Harvard Business School. Next she worked in marketing until the birth of her second child, when she cut back to part-time. Then she acquired Westley and became aware of the supplement feeding problem that everyone was complaining about.

She talked to horse-owning friends. She called classmates scattered at top barns around the country. They all said the same thing: It was really difficult to ensure correct supplement feeding. And it wasn't just a problem at big boarding barns. Smaller barn owners knew supplement feeding was complicated and always worried when they had to rely on non-horse family members or friends to feed in their absence.

But Minard knew what to do. She was on a mission. Her solution was simple: Prepackage a horse's daily supplements in sealed containers. Each daily dose would have individual wells for each supplement and come with a peel-off top with the horse's name printed on it. The wells would be enclosed in a dispenser box

Keys to a Successful Horse Business

Becky Minard and Paal Gisholt believe the key to starting a successful horse business is twofold: Find a problem to fix and listen to your target consumer. "The equine business world is very competitive unless you are unique or you have a very high level of customer service," says Minard. "If you don't have those two things, the road to success will be a lot harder than it needs to be."

"Pay attention to the problems you experience as a rider or as a trainer," Gisholt adds. "What frustrates you? If there is a way to fix it, there may be a business there—an instantly successful one. Problem-solving businesses are the kind where word of mouth by motivated customers can lead to success. If

people feel pain, they will take a chance on your product."

Perhaps the greatest lesson to be learned by SmartPak's success is the way Minard and Gisholt combined their respective talents and backgrounds. "We have very different roles in the company. I am a horse person, Paal is not," Minard explained. "I can say what will or won't work based on a horseperson's view, where Paal is a great leader with great financial and organizational skills."

SmartPak has now expanded into Smart Supplies that include fly control products, grooming tools, hoof products, blankets, riding boots and dressage arenas—all carefully chosen for their quality and usefulness in the barn.

that could be stacked neatly in a feed room. The supplements would be measured, marked correctly and be virtually error-proof in feeding. They would be safe from air, sunlight and moisture. Every month, customers could automatically receive another 28-day supply, eliminating worry about running out.

Minard also realized that her ability to buy in bulk meant her product could be competitively priced with what a person would pay for the supplement at a retail store. And her product would always be fresh. If the idea worked, she could potentially erase a very stressful part of horse management. Thus, in December 1999, SmartPak Equine was born.

Starting from Scratch

In addition to Minard, Gisholt also attended Harvard Business School, an education that gave them a jump-start on founding a company. Their pre-SmartPak research pointed to a potential market value of \$500 million—a number that had them both smiling. Minard, then working part-time at Harvard, and Gisholt, then a general partner with Boston's Spray Venture



Minard demonstrates how to store SmartPak for each horse in a barn.



SmartPak marketing assistant Jessica Normand shows how to add a supplement to feed.

Partners, Inc., knew they had found the proverbial needle in the haystack. The couple raised over \$6 million from friends and horse lovers and began SmartPak in their home. Gisholt's business acumen and Minard's horse and marketing experience proved the perfect combination.

The first six months were dedicated to company building. Gisholt and Minard met with the best supplement manufacturers. Convincing them that SmartPak was a win-win situation was not as difficult as the duo first thought. "We needed the manufacturers to trust what we were doing," Gisholt explained. "We were asking for permission to repackage their product. They knew the products often weren't being used or administered properly. We jumped on that and said we could help their product achieve maximum effectiveness and potency. One manufacturer shared that they found 85 percent of their buckets were left uncapped in barns, and supplements exposed to air lose potency." Manufacturers also

knew barn managers had questionable supplement-feeding rules, such as putting many types together in plastic bags. "Because of this, they were open to our idea. They realized the fundamental challenge faced by their customers."

Gisholt fell naturally into the role of business manager and became SmartPak's CEO and president. He raised money, leased space and equipment, filed patents and ensured that the Web site was up and running. He drew on his experiences at Spray Venture where he fostered early-stage medical companies and Advent International Corporation—another venture capital firm—where he worked with plastics and packaging companies.

Minard became vice president of marketing, drawing on her earlier professional experience and her connections in the horse world.





Minard's Thoroughbred/Quarter Horse cross Westley was the inspiration for her business.

In early 2000, SmartPak began advertising in horse magazines. Customers could order from 30 prepackaged supplements online. The transition from Internet start-up to full-fledged business was a quick one—a transition that relied on word of mouth as its best advertising. “When we launched, we got an outpouring of ‘thank God this exists,’” Gisholt remembered. “As soon as we mentioned the idea, heads started to nod. All we had to do was show a picture of SmartPak and people got it.” Despite the great reception, the beginning months were tough. “What we are doing is technically, excruciatingly difficult,” Gisholt continued. “Early on, we realized there was no business model we could follow, no off-the-shelf software we could buy. Order entry, fulfillment systems, mail order and machinery all had to be made from scratch.”



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Nuts & Bolts

Jaralyn Gibson, SmartPak's vice president of new business development, was hired as a marketing manager in 2000 (SmartPak's fourth employee). She remembered the early days when the company was based in Medfield, Massachusetts. "We had a few desks in what seemed like a huge 4,000 square foot manufacturing space," she recalled. Gibson spent her first six months on the road, recruiting customers. Soon, big-name equestrians, such as Lendon Gray, Tom Noone and Arlene Page, heard about SmartPak and were quick to help spread the word. "Our goal was simply to introduce SmartPak to everyone we knew in the horse world," Gibson continued. "I think people used to cringe when they saw me at horse shows. But if it weren't for the good words of our first customers, we wouldn't be as successful as we are today."

At first, SmartPak's supplement inventory fit on one sheet of paper. But demand soon transformed it into an eight-page "magalog." By December 2000, SmartPak had already outgrown its first location. The 12-employee office moved 50 miles south into a warehouse in Pembroke that offered five times the square footage. Further expansions ensued in April of 2002 and again just recently.

In late 2002, the magalogs became catalogs distributed by mail rather than additions to magazines. A typical order includes a joint supplement and a dewormer. Cosequin®, a nutraceutical for improving joint function, is their most requested item. Gisholt explained that people spend a lot of money on joint supplements "and they want to make sure what they purchase gets into their horse in the right amount every day."

Westley, the horse that inspired it all, now blissfully receives all his supplements correctly. Minard does her best to find plenty of time to ride him; the pair work at Training and First Level. Minard's and Gisholt's two oldest daughters just started riding. Gisholt's first year and a half of riding lessons have fallen by the wayside because of the business, but he knows he'll be back again. For this family, horses are both business and pleasure.

Even though SmartPak has grown to more than 45 employees, Gibson says nothing about the heart of the company has changed. "If we make a mistake, we admit it, fix it and prevent it from happening again. We are very customer-centric, and we have a lot of fun at work."

SmartPak's success has made many horse people shake their heads and wonder, "Why didn't I think of that?"

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Pictured at left is Danish Olympian Lars Petersen aboard Dansko's Success, with his wife and training partner Mette Petersen. Shown above, left to right: Bromley in red rustic leather, Brodie in black tumbled leather, Brynn in brown leather and Professional in black oiled leather.

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