



## As Seen on TV

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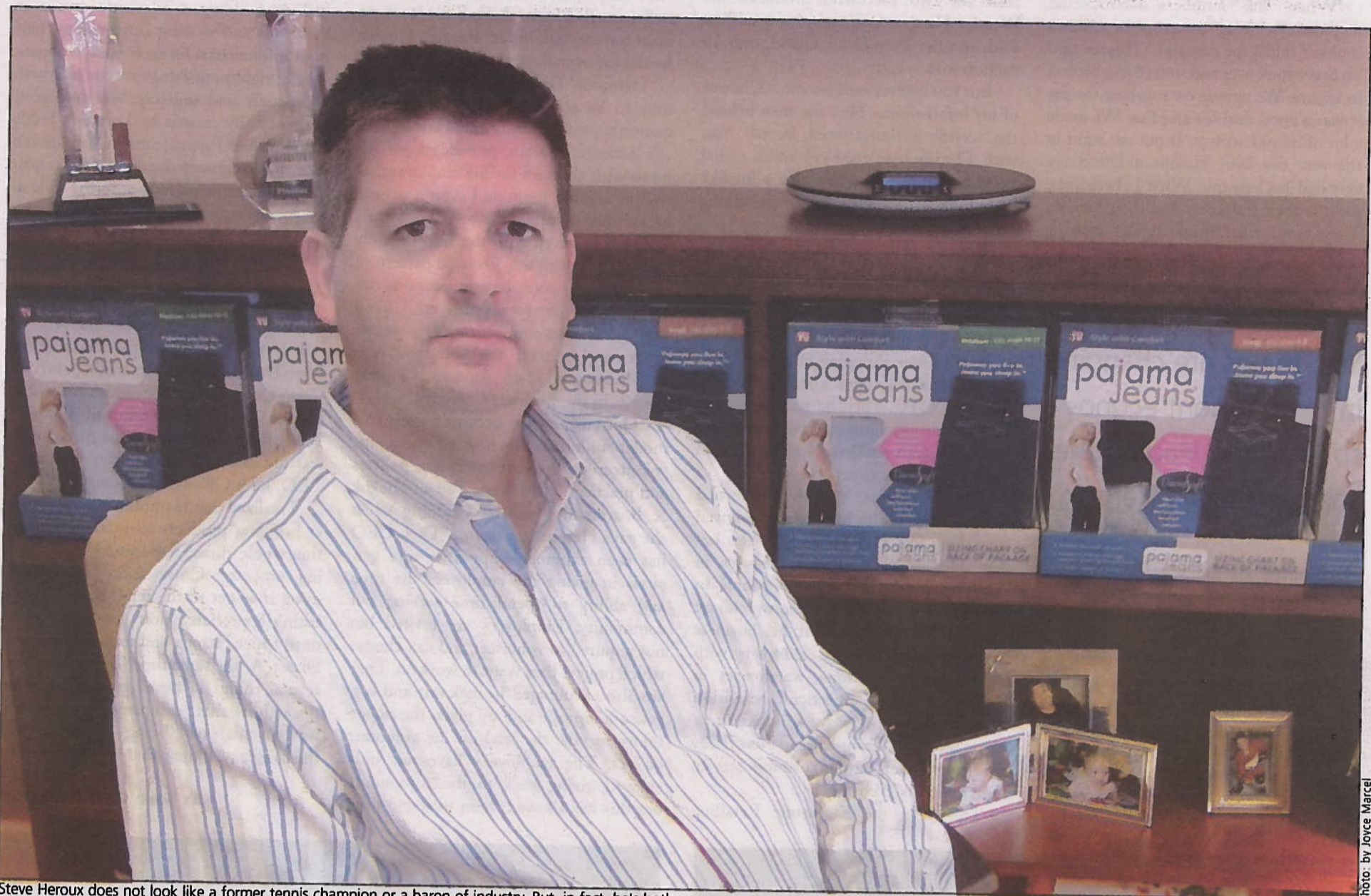
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Steve Heroux does not look like a former tennis champion or a baron of industry. But, in fact, he's both.

Photo: by Joyce Marcel

## AS SEEN ON TV!

### Steve Heroux and Hampton Direct

by Joyce Marcel

**U**p to now, Vermont has been famous for producing wood stoves, thick woolens, gourmet foods and maple syrup. But television infomercials?

PajamaJeans? Wonder Hangers? Twin Draft Guard? Meatball Magic? Yes, things are changing in the Vermont econosphere, and leading the charge is Steve Heroux and his wildly successful Williston company, Hampton Direct.

Hampton Direct seeks out and develops products - most often inventions - that save consumers time and/or money and/or solves a problem: ie drafts under doors, a lack of closet space, or uncomfortable yet fashionable women's jeans.

Once he has developed a good product, Heroux creates two-minute infomercials around them. Then he buys national television time and runs the ads on networks like Bravo and ESPN; a good product could, over the first two years of its existence, probably buy \$10 million worth of advertising.

The ads create consumer awareness.

"Because of the television awareness we can create with a product, I can take a new item and probably, in less than two months, I have the ability to have 70-80 percent of the US population aware of the item," Heroux said. "It's very quick. We set up everything through third parties: we set up a Web site, set up the phones so people know where to call, set up a warehouse where they can ship the product, and they're all working together, they're all hooked up electronically. Then we go out and buy air time, orders come in, then we ship the orders."

Not all of Hampton Direct's 300 products are sold on television; many are also sold through catalogs. But once Heroux has created television awareness, he sells his products to national retailers - to everyone from WalMart to Walgreens, with stops in between at Bed, Bath & Beyond, Macy's and Target. Heroux's products are in over 80,000 stores.

"Walmart is 3,500 stores, and Walgreens is 8,000 stores," Heroux said. "We sell to all the national retailers, the drug chains, the grocery chains, the mass market chains. Only a very small portion of the population will buy from a two-minute infomercial. Most people buy retail. All the products we sell are affordable - under \$20 or \$30. We're able to move millions of pieces in under 12 months, which is pretty unusual."

Sometimes when Heroux rolls out an infomercial, he gets a weak response or no response at all. Then he withdraws the product from the market. At least once, he had to recall a product - a toy train set made in China - because of a risk of lead exposure. Sometimes the product is a hit but gets slammed in reviews.

Take Meatball Magic, which 10 years ago claimed to make "nine perfect meatballs in nine seconds." In 2007, KLTV in Tyler, Texas, did a consumer review and concluded, "Yeah, we managed to

make some meatballs with the Meatball Magic... but... Do we need this? Does it really make 9 in 9 seconds? And most importantly, would we spend our own money on it again? No, no and no."

Yet the product's inventor, Peter Huszcz, of Ottawa, Canada, was thrilled with the results.

"Inventors struggle with finding someone who thinks the product is good," Huszcz said. "I had the product developed. I had a patent. I had the mold made. So the product was ready to be introduced to the market. At the time, Hampton Direct had an office in Canada, and they took the product under their wings and we succeed with it. I think it was quite a pleasant experience."

Meatball Magic was introduced on shopping network QVC and became a huge hit - it sold 10,000 units in seven minutes the first time it was shown.

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Huszc said.

"When the numbers skyrocketed, the manufacturing company in Ottawa couldn't fulfill the demand," Huszc said. "So Steve took over and moved production to China. We agreed on royalties for me. It was a good deal for all of us. We made a lot of money with it. It put me right in the very fast lane. Hampton Direct are very laid-back people. What I cherish the most is their frankness and their honesty. They never even think about screwing me up. They never miss a payment. It's a great little company."

Hampton Direct is always searching

Yes, things are changing in the Vermont economy, and leading the charge is Steve Heroux.

for inventors and inventions.

"Say you have an idea and you come to us," Heroux said. "We say, 'OK, great, you have no risk.' Some places work differently. But I say, 'If you come to me, you'll never have to pay anything. I'm the one who's going to take 100 percent of the financial risk, and pay for the development and for creating the commercial, I will pay a percentage of sales in royalties

to you for bringing me the item.' Every deal is a little different."

Heroux is an inventor himself, responsible for two successful products: the Wonder Hanger, closing in on 6 million sold, and the Twin Draft Guard, over 10 million sold.

But you'll never see Heroux, 43, in one of his infomercials. He's the man behind the scenes, a round-faced, boyish man with a brush-style crew cut and a casual, friendly manner. But he's also a lot like his infomercials: high-energy, fast-talking and competitive.

"I like to pick the best people for the commercials, and I never make the cut," he said.

Heroux started Hampton Direct in 1997 by selling to catalogs, then moved on to the home shopping television channels; he still maintains a strong relationship with QVC. Then he started making his own television infomercials and selling the products to retailers. Now he does all three at the same time.

Because of this, his privately-owned company (he is the sole owner) enjoyed something like \$100 million in sales last year. Heroux runs a tight business in Vermont, employing only 60 people in his 65,000-square-foot office/warehouse complex in Williston. But his business has a far reach: he has contracts with manufacturers in China, warehouses in California and Connecticut, television buyers in New York, advertising and television producing companies in New Jersey. He also contracts out his customer service center and his Web sites.

This year, the Electronic Retailing

Association - the infomercial trade organization representing what is now a \$15 billion-a-year industry in this country - not only awarded Hampton Direct its well-named Moxie Award for a short-form commercial, but its People's Choice Award for overall excellence.

Hampton Direct also goes the extra mile to be socially responsible. Besides quarterly profit-sharing and a strong benefit package, Heroux provides a weight room with showers for his employees, as well as a game room and even a private breast milk-pumping room. The company is deeply involved with the Lund Family Center in Burlington. Over 80 percent of the employees contribute at least one day a year to volunteer work through United Way of Chittenden County's volunteer program. In 2011, the company won its Hometown Hero Annual Volunteer Awards in the Business Category.

"This business has become a great role model for others on how to encourage volunteerism through workplace policies and practices," said Freda Tutt of Hickok & Boardman Financial Planning when she gave Heroux the award. "Their CEO has been extremely supportive and generous in giving the employees the time and ability to spend time serving our community. Employees are invited but not required to volunteer and can choose which project they want to work on. They are also encouraged to seek out and suggest a nonprofit and are given the opportunity to take the lead on the volunteer project. The employees have not only enjoyed giving back to the community, but this has allowed them to spend time

and form bonds with people from other departments, bringing the entire company together as a force in our community."

Future plans for Hampton Direct include building a television studio in Williston and moving into making half-hour infomercials for its newest products.

But right now, things are cooking with a uniquely and unlikely Vermont product - actually created by Vermont Teddy Bear - called PajamaJeans. A soft stretch jean that combines the comfort of a pair of sweatpants or pajamas with the style of a form-fitting pair of expensive blue jeans; the product has turned into a runaway hit that is poised to hit 2 million units sold by the end of the year - and with no end in sight.

Although he doesn't like to be called the midwife of the PajamaJeans, FreshTracks Capital's managing director, Cairn Cross, is just that. FreshTracks has been a long-time investor in Vermont Teddy Bear, and Cross sits on its board. It was his idea to introduce the company's CEO, John Gilbert, to Heroux.

"I realized that Hampton is a real expert at bringing products to market through this whole direct-response, TV advertising process," Cross said. "They were using it to get to the retail buyers. But I hadn't appreciated how good they were until I met Heroux and toured Hampton Direct. At the same time, Teddy Bear had several things in development, and one, through its sister company, PajamaGram, was PajamaJeans. Being involved with the company, I knew that it probably only

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had the resources to bring one of those products to market. I thought if I could get John Gilbert together with Steve Heroux, maybe there was some partnership possible."

So, about two and a half years ago, Heroux and Gilbert had a very successful lunch.

"We developed a great, easy camaraderie with each other," Gilbert said. "We both have pretty active imaginations about what can be done from a business standpoint. We're both big-time fans of consumer products. We're both product-driven. Steve's not afraid to share ideas - and a lot of people are. Steve is big on sharing. We share ideas all the time. He's just a great person to be around. He's pleasant, pleasurable, interesting, fun. We play golf on occasion. It's not all business with Steve. He's a good guy to hang around with."

At the end of that first meeting, Gilbert mentioned PajamaJeans.

"Then the funniest thing happened," Gilbert said. "Steve went to Germany to a home show, I think, and he gives me a phone call from Germany. The PajamaJeans are the talk of the show, he says, and we need to get together as soon as he gets back."

The partnership was "fortuitous," or maybe it was "karma," Gilbert said.

"The demands being made on us - PajamaJeans was going to get too big too fast for just us," Gilbert said.

The deal Heroux and Gilbert made turned Vermont Teddy Bear into the research-and-development department of PajamaJeans and gave Hampton Direct the rights to sell the products. On its own Web site, Vermont Teddy Bear sells many different styles of PajamaJeans clothing, including knickers and a dress. Hampton Direct, meanwhile, is selling only the jeans for now. The pants sell for \$40 and are available even in drug chains. The tag line on the box says "Pajamas you live in. Jeans you sleep in."

You could call them "faux-jeans" without upsetting Gilbert.

"Vermont Teddy Bear did PajamaJeans as a very tongue-in-cheek product," Gilbert said. "We intended for it to be self-deprecating."

But in a state where the brand Carhartt is not only a style but a way of life, might not jeans that feel like pajamas be a little out of place?

Oh no, said Gilbert.

"Vermonters, the way I think of it, are function-over-form people," Gilbert said. "We're not necessarily on the cutting edge of style. But I see this product as having high functionality while it happens to have enough style to make it work. Vermonters are pretty pragmatic. I think there's a big subset of the population that wouldn't be caught dead in PajamaJeans, just like there's a big subset that wouldn't be caught dead in something like Carhartt. It's one of those products that people love to hate until they try it, and then they love to love it. My wife and daughters laughed at the idea, but when they wore the product, they said, 'It looks great.' It really does look great on all women. But we always had a sense of humor about the product, and in that way it might be very Vermont."

Hampton Direct is a complex business with a lot of moving parts, Cross said.

"It's an interesting business," Cross said. "Part of it is that you have to be really good at sifting through a ton of ideas to pick the few that you think are going to work. And that's not easy. It's more than just finding a cool idea. It's a cool idea you can manufacture at the right price, that you can multi-source so you're not dependent on one manufacturer, and then you have to figure out if you can get it into the right stores at the right price point. The process is easy to understand, but the art of picking those things and getting them through the supply chain is difficult. Steve has managed to do that."

Hampton Direct is not alone in the direct-to-consumer industry in Vermont. Vermont Country Store and Gardener's



Steve Heroux inventor of the Twin Draft Guard.

Supply Company sell by catalog, and Country Home Products moves heavy equipment through television commercials and catalogs as well as through stores, dealers and a Web site.

"There's a lot of direct-to-consumer expertise in Vermont," Cross said. "I think this is a business that lends itself to people who are willing to take risks on products and are not necessarily beholden to a lot of committees. I don't think you could do what Steve does in a big company. He works by gut instinct and with the knowledge he's built up over the years. He's done the best job, by far, of anybody in Vermont. He's a master at what he does."

### Early Life

Heroux was born in Montreal, the younger of two boys. His brother, Pierre, 44, is Hampton Direct's vice president of merchandising.

In the late 1970s, Heroux's parents started a Montreal mail-order company, Jay Norris, which sold general merchandise; therefore, you could say both boys were literally born into the business.

"I did summer internships there when I was in high school," Heroux said. "My mother worked there, my aunt worked there, my grandmother worked there. It's the family heritage. They sold general merchandise - the type of products we're selling today, problem solvers with price points around \$10. Obviously, I understood the concept. Finding prod-

Photo: Joyce Marcel

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ucts, printing catalogs, mailing it out and getting orders. Even Hampton Direct started by wholesaling to catalog companies."

The catalog company had about 600 employees by the time Heroux's father sold half of it in the mid-80s. He sold the other half in the late 1980s.

But by the time Heroux was in high school, he was devoting his competitive edge to tennis; he started playing when he was 10 years old and was a nationally rated Canadian high school player.

"For most of the summers, I was playing five hours a day," Heroux said. "I played a lot of national tournaments. The whole goal was to someday play college tennis. I still play now, but I played a lot more when I was younger."

Since he wanted to go to college in the United States, Heroux moved to Connecticut to finish high school at the Hotchkiss School.

"They had a very good academic program and a good tennis program," Heroux said. "Then I went to Columbia University in New York."

Heroux played tennis and made the Columbia singles and doubles teams all four years. He also did a double major in economics and political science. He graduated in 1991.

"Living in New York was great," Heroux said. "And that's where I met my wife, Jennifer, who was at the Manhattan School of Music."

The couple have a daughter, 9, and a son, 7.

#### From Canada To The Us

Shortly after Heroux graduated, the young couple moved to East Hampton in Connecticut, and Heroux took a job with Sheffield Pharmaceuticals, the company that invented toothpaste.

"Dr Sheffield invented toothpaste in 1850," Heroux said. "They do a lot of private label toothpaste now. I met a lot of interesting people in that job, but I only did it for a year, from 1994 to 1995."

At the end of that year, Heroux decided he was ready to go out on his own.

"I did not have any money, but I had a lot of time," Heroux said. "I was trying to find myself. My father had sold his company and he had the money. So we started the company together in 1995. My father was in Montreal, but he was commuting."

The plan was to print greeting cards and books in Canada and sell them to retailers in the States; the elder Heroux, through his catalog company, had developed good connections with Canadian printers.

"The exchange rate then was really good," Heroux said. "Now it's par, but then it was 1.4 or 1.5. We got the cards printed at really reasonable prices."

They named the company Hampton Publications after the town Heroux was living in. But the business didn't work out the way the father-and-son duo wanted it to.

"Basically, we found that the industry was controlled between Hallmark and American Greetings," Heroux said. "It was very hard to build a nice-sized business in that industry. Then we started

looking at other things. We did a birthday card-birthday gift combo. When we printed those, we had some success. But not with big retailers."

When the Heroux's showed their product to one of Heroux-pere's friends, a man who ran a catalog company, he bought it. Then he asked if there were any more Canadian products.

"We said, 'Sure, we can find some other things,'" Heroux said. "That's how this whole mail-order company grew - selling to catalog companies in the US. We were still in Connecticut, but we realized that maybe there was a good business in bringing products from Canada that had never made it across the border before. So we started searching for products in Canada, brought them in here and kept selling to the catalog companies. My father knew a lot of the buyers."

One of the first products they found was the "35 Degree Below Arctic Socks," which Hampton Direct still sells today.

"We sell it with the pitch that if it's good enough for Canadians, it's good enough for Americans, because it's cold up there," Heroux said. "Then we found a factory with a lot of interesting cleaners for kitchens that you wouldn't find in stores - a degreaser for kitchen cabinets and a special toilet bowl cleaner. We brought some of those products into the US and sold them to catalogs. That started taking off, so we stopped publishing cards."

Their line of combination greeting cards-and-books was sold to a Vermont company called Maple Landmark in Middlebury. Then the Heroux's changed the name of the company to Hampton Direct "because it wasn't a publishing company anymore."

#### Moving To Vermont

Because the company was importing products from Canada, it seemed like a good idea to move closer to the border. Hampton Direct moved to Vermont in 1997.

"A lot of the manufacturing was in Montreal, and we wanted to be closer," Heroux said. "And because I grew up so close to Vermont, we'd come here in the summers, my parents, my brother and me. This was always a great place and I always had great memories of Vermont. We said, 'Why don't we look at Burlington?' We had to be in the US because it's important for the customers. If we can ship out of the US, they don't have to deal with customs. If we shipped from Montreal to them, they'd have to deal with a lot more paperwork. So we deal with customs. Now most of the products are made overseas in China."

The first year in Vermont, Heroux went around to the banks seeking additional capitalization. He found a home at Merchant's Bank; when he speaks about it on YouTube, it sounds just like an infomercial.

"We were a small company, no employees," Heroux says in the video. "We went to Merchant's Bank and showed them our business proposal and what we were all about. And they really had a lot of

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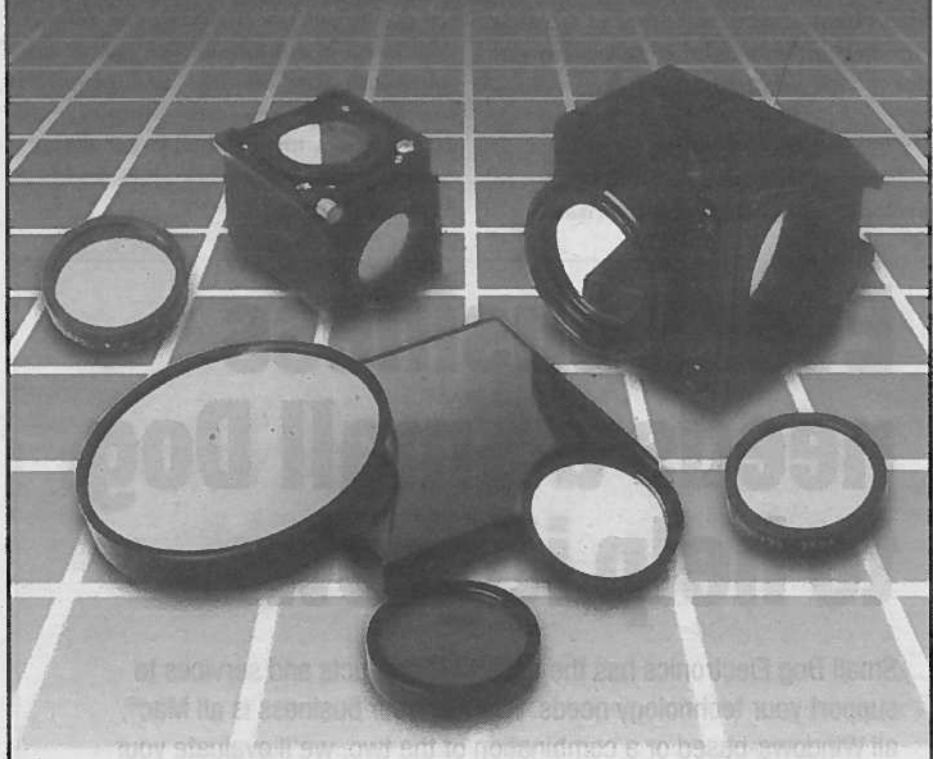
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confidence in me and what we were able to do. They took a risk and gave us a very small loan. It's grown over the years but Merchant's Bank has been with us since the beginning. I'm really fortunate to be one of their customers... Our business moves very quickly. Things change, and I have the luxury of being able to reach anybody and talk to anybody at Merchant's Bank and I have their support and the flexibility if something changes. I have this special place in my heart for Merchant's Bank."

Hampton Direct grew rapidly in Vermont.

"This is our third space," Heroux said. "We moved to South Burlington first, with 5,000-square-foot of office and warehouse space. We outgrew that fairly quickly. Then we moved to Pioneer Drive in Williston, and that had about 12,000-square-feet. Then we rented a little more and ended up with maybe 17,000-square-feet. We outgrew that one. We purchased this building in 2008, rented it to the former owners for a year and moved here in 2009. Now we have 65,000-square-feet. It's enough."

When the company began, Heroux was a 50 percent partner with his father. He bought his father out in 2004 and now owns 100 percent of the company. The elder Heroux, who still lives in Canada, retired again, although he makes frequent trips to visit Vermont.

### Growing The Company

It wasn't long before Heroux began to develop a relationship with television.

"I had a product in 2000, a kitchen gadget, that I brought to one of our catalog accounts," he said. "She looked at it and said, 'I think this might be a good product for QVC or Home Shopping Network, and I happen to know the buyers at both places. Here's their names.' We called Home Shopping and they said no. We called QVC and they said yes. So we sold the product to QVC. It did really well and we started adding more and more products. Eventually, I built my own home team here developing products and selling them to QVC."

The success at QVC started Heroux thinking about making his own infomercials.

"There are two types of infomercials," Heroux said. "There are two-minute and half-hours. We do two-minutes. When we create the commercial, we'll buy a limited amount of media and test it to see what kind of response there is. Sometimes there are no orders. But if the response is good, we say, 'Yeah, we're going to do this.' We'll buy media for the next three months and call the retailers. We say, 'Here's the product. You can see the commercial on the Web site. And we'll be shipping to you in three or four months.' People have seen the product, the features and benefits, and then they go into the store and buy it."

Besides product development, graphics design and a management team in Williston, Hampton Direct has a large warehouse that employs two people. It basically sends out only samples - for example, is a tortilla shell baker that the company found at a trade show and buys from a factory.

"We sell about 300 different types of items," Heroux said. "Not only the things you see on TV. This warehouse, which is 35,000-square-feet, probably represents less than 5 percent of our inventory. We have 20 times more inventory in California. But we have a case of each of our products here. When a customer requests something, we can send it out."

Economically, it makes sense to have the warehouses in California, since most of the manufacturing is done in Asia.

"And a lot of our customers are in California, so it's not very efficient to ship it back here," Heroux said. "We use contractors for the warehouses. It's all done through computers. We tell them who to ship to and they ship it."

### Inventions

Heroux still uses his very first invention, the Twin Draft Guard, on the door to his office. It's made of two baffles joined together by a flat piece of material that slides under the door. It keeps out drafts from both directions.

"I invented it in about 2003," Heroux said. "It just came to me. I'd seen regular draft guards, and it didn't make sense to me. When people left the house, the draft guard was only on one side of the door. And I knew people didn't want to screw draft guards into the door, because they don't use them in the summertime. That would leave them with holes in the door. So it just made a lot of sense to have the draft guards on both sides, and removable. Sometimes the simplest things are the best-selling things. You never really know. It happens to solve a problem and saves

money. It was a huge success."

From about 2003 to 2006, Hampton Direct sold the draft protector to catalogs.

"Then we shot a commercial in 2006," Heroux said. "That's when there was a huge rise in fuel pricing. Our timing was perfect. People started realizing that this winter it's going to cost 40 percent more to heat the house. And using this is one of the ways you can save some money. Our whole pitch was that the product would pay for itself in a couple of months. So it was very successful. In anything that you do, if the first product is successful, it always helps. After that we developed the Wonder Hanger."

The first version of the Wonder Hanger was developed for QVC.

"It was my idea," Heroux said. "You put both hooks on the rack and put all your clothes on it and then drop one hook down so it's vertically hanging. It was a big hit at QVC. Then we shot a commercial and the product took on its own growth. It was another example of great timing. We launched it in the Fall of '08, and that's when the whole housing thing went down. So everyone was downsizing. And typically, if you have a smaller house, you probably have smaller closets, too. We have a plastic version and a metal version and an over-the-door version. I think we're probably closing on 6 million units that we've sold."

For the past year, locating, developing and licensing other people's inventions has been an important company focus. The company advertises for inventors on its Web site.

Finding inventions is the department

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of Pierre Heroux, who spends much of his time traveling to trade shows and conventions.

"My job is pretty much to shop all day," Pierre Heroux said. "If you like shopping, you're in heaven. You see quite a few inventions, all kinds of products, and obviously some that are quite special."

Other products are developed in-house or sent to the company.

"With the 60 people we have here, we have groups of four and five, and every quarter they have to come up with inventions for us," Heroux said. "They know the types of things we sell. We're always looking for the next big product, the next big Wonder Hanger or Twin Draft Guard. Maybe your product is the one we do. We're getting like 30 or 50 different inventions every week of different, unique ideas. And because we have a product development group right here, they can take the idea at any stage, even if it's just a concept or a drawing."

The company wants unique products that sell at low price points, solve a problem and save money and/or time.

"Especially in a tough economy, those are three really important criteria," Heroux said. "When you have a product that does at least two of those three, it's going to be a really good item."

One way the company finds inventors is by word-of-mouth. Inventor Eric Huber of Orange County, California, for example, has developed over 90 products. While he doesn't currently have a product in Hampton Direct's line, he is an enthusiastic supporter of the company and one of his inventions is in development there.

"They have some big successes in the whole AsSeenOnTV area, so I made it my mission to get to know the key players," Huber said. "I'll go into a store and look at a product on the shelf, and look at who makes it. With them it was the Twin Draft Guard. I got their name from that and contacted them. I submitted quite a few ideas to Steve and Pierre and we've had great feedback. One in particular, they've taken it on and gone through the product development process with it. Getting a product on the shelves is tough. There are always patent issues. That's why it's important to keep the pipeline full. I've been directing other inventors to them. They're one of the good guys in the industry. I enjoy working with them. There are a lot of companies out there I just don't trust. But Steve and Pierre get back to you quickly, and they're very trustworthy."

Dealing with inventors is tricky, said Hampton Direct's inventor relations coordinator, Elizabeth Austin.

"Inventors are very passionate about their products," Austin said. "Everyone has the next greatest thing. That's fine. We never know which one it is going to be. We examine then and look at them and decide based on our own criteria. But when we're even the slightest bit interested in their product, they get very excited. So you have to be careful about expressing your interest. Even when you only ask if they can send a product sample, they think they're good to go."

With so many ideas moving in, around and out of the company, it is not surprising that the company has seen its share

of duds. For example, the company once tried to market hair extensions. But since they need to be individually braided by hand into someone's head - and these weren't - they failed.

"You always learn more from failure," Heroux said. "If you succeed, it has come and gone and it's behind you. When you fail, you try to analyze things more clearly. I never shy away from failing because we fail probably nine out of 10 times. But you hope that the one time you succeed pays for more than the nine times you failed. What I don't like is failing at the same thing twice."

Heroux cited the concept of a certain pet product from a local inventor that excited his product development group.

"I thought it was going to be a great product," he said. "We spent a lot of money developing it, spent a lot of money shooting the commercials and buying the media, and in the end of the day, people were not interested in buying it. Maybe on this one, we should have done a little more focus group. What we learned is that the group here doesn't represent the population of the United States. When we look at new items now, we have to like them, but we have to look beyond that and do a little more market research. We're never going to have a product that 100 percent of the population of the United States going to be interested in, but we need to hit different demographics so there is an almost universal need for the product."

#### Doing Business In Vermont

Thanks to advanced technology, business can be done almost anywhere that

offers a fast connection to the Internet.

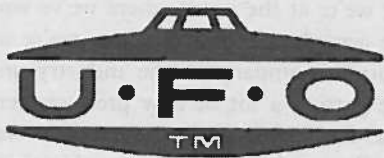
"Between email and FedEx, it doesn't matter where you are," Heroux said. "I knew Vermont was a great place, and this was even before we had kids. My wife and I just love this area. We have tons of great friends and it's safe for the kids. If I can get all my work done from here and not have to worry about any of the big-city craziness, that's great."

"And we've got a lot of good employees here. They're very dedicated. There's not a lot of distractions like the big city brings. They're all very focused and they all have a great balance between their work and personal lives. I feel the people in Vermont are more devoted to the company than they would be in the big city. It's hard to get them, but once they come on board and get excited about the company, it's harder for them to leave. Not that we're holding anyone prisoner, but it seems that way. We've had four people now who have worked here for over 10 years, and we've only been here 14 years. And we've got a lot of people who have worked here for seven, eight or nine years."

The biggest challenge is finding personnel with the right skills for the company.

"As we grow, there are more specialized positions that we're looking for that we can't find here," Heroux said. "If I want to grow on TV, I'd like to hire someone who's done a lot of media buying. That's a little specialized. There aren't a lot of media companies in this area, so you can't find someone local. So do you train or

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## As Seen On TV! from 15

bring someone in? That's the part that's been a little more challenging lately. There are people who say they can't find work, and then we have some postings and some of the jobs are not a match for people who are here. We're unique in what we do. There's only three or four other companies nationally who do pretty much what we do on our scale, and none of them are here."

The Vermont way of doing business is about people, Heroux said.

"Over 80 percent of our employees help in one way or another in the community," he said. "I think the Vermont way is reaching out, helping out, being more conscious. We appreciate what we have a

lot more here, I think. In general, people are happier here. And happier people are better people. I would say it's all about sharing the success, whether it's with the employees or the community and helping out. That's the Vermont way."

### The Future

The company is starting to build a television studio and is getting ready to film half-hour infomercials in Vermont.

"I think we're going to launch two or three in 2012," Heroux said. "Two-minute commercials take about a month. A half-hour commercial takes about six months. So it's a lot more work. The commercials will be for new products. I can't tell you what they are, because I have non-disclosure agreements. But I think we've done

our research."

The half-hour infomercial products don't go to retail; they are bought over the phone or by subscription, one or two every month. Heroux cited as an example Proactiv skin cream, which he said had over \$1 billion in sales.

"That's the next step, and it's going to be a big step," he said.

The company will also continue to develop its international business.

"We partner up with similar companies in different countries," Heroux said. "We do some great business in the UK. We partner up with Germany and Australia, Mexico, New Zealand, Canada, Japan and Korea. We're pretty much everywhere. Unless I'm selling a US dollar cleaner, our products are pretty universal. Everyone

has closets and closet space issues. The only other thing is that when we came out with Twin Draft Guard, some places aren't as cold. We didn't sell so many in the Islands."

Beside the PajamaJeans, the new product getting the big push is the InstaHang, a stapler-like tool which is used to hang pictures on walls. It is already being advertised on television.

"We launch into retail in January," Heroux said. "Then we take the commercial and show it to our international partners. They basically take the commercial and test it on their TV. Then we sell them the goods. InstaHang came from the internal product development team."

If an employee or group of employees comes up with a marketable idea, everyone in the company shares in the profits.

"We have a profit-sharing that we do here every quarter," Heroux said. "And everybody's part of the winnings. It's not just the people who thought of the idea or developed it, but also the person who sold it to Walmart. So we take a percentage of the profits and give it back to all the employees every quarter. Everybody shares. We used to do it annually, but we didn't want people to have to wait that long."

Other perks of working for Hampton Direct? Catered lunches for everyone every Friday, and bagels for all on Mondays.

Heroux said he is not surprised by his success, but he is humbled by it.

"I've worked hard," he said. "A lot of people have worked hard. We had a good plan. It didn't happen overnight. Everything came in stages. First catalogs, then QVC, then infomercials, then retail. And each success brought more success. Now we're at the point where we've won these awards, people know us, we're an important company in the industry and we're getting a lot of new products sent to us. I'm happy about it, but that was basically my dream, getting to this point. I've always had goals. I've always been competitive."

For the foreseeable future, there are no plans to take the company public, Heroux said.

"We definitely have a lot of growth ahead of us," he said. "We have some amazing opportunities. A lot of times, people go public because they need additional cash to get to the next level. But we have a great partnership with our bank, so that wouldn't be a reason. Do people call about buying the company? All the time. I guess anything is possible, but I'm having fun. Why would I sell? I love products. They always amaze me - I can't believe no one has thought of that before. How did it take so long? It's the search for the next big item and creating the marketing around it. It's still so much fun for me. And although we've accomplished a lot, there's a lot more to accomplish. And I'm too young for retirement."

Joyce Marcel is a freelance writer and author from Dummerston. Her new book, a collection of her columns called, "A Thousand Words or Less," is now available. Learn more about her and how to order the book at her Web site: [www.joycemarcel.com](http://www.joycemarcel.com).



**WHAT:** The Coolest Lunch, an event to raise money and awareness about COTS

**WHEN:** Lunch, December 14th

**WHERE:** Farmhouse Tap & Grill, Halvorson's, Leunig's and Three Tomatoes on the Church Street Marketplace in Burlington

**WHY:** The Coolest Lunch raises awareness about the hungry and homeless by having diners eat lunch in the cold. Yes, diners pay to eat outside! This event raises money to support the Committee on Temporary Shelter (COTS), which provides shelter and services to those who are homeless or at risk of becoming homeless.

**HOW:** \$20/person donation buys you an entrée and non-alcoholic beverage. The restaurants donate the food, and the waitstaff volunteers their time.

**RESERVATIONS:** Make reservations online at [www.cotsonline.org](http://www.cotsonline.org) or by calling (802) 238-6592.

### DID YOU KNOW?

Families are the fastest-growing homeless population in Vermont. According to the annual Census Point in Time count, the number of families that are homeless or precariously housed has remained about constant from 2010 - but that number is nearly two-and-a-half times larger than it was in 2008.

### CHILDREN:

- 141 schoolchildren: In October, a survey by COTS of Chittenden County schools revealed that there were 141 schoolchildren who were homeless. This affects every school district in Chittenden County.
- 48 children, under age 5: In October, COTS knew there were an additional 48 children under age 5 who were also homeless. These children were either in a COTS shelter or on the COTS waiting list.

### PREVENTION:

- 1,507 households: In past three years, COTS' homelessness prevention initiative - the Housing Resource Center - has assisted 1,507 households with homeless prevention and security deposit grants and loans. This represents 2,800 people, including 1,167 children. (COTS data: July 2008-June 2011). Of those 1,507 households ...
  - 816 families were families.
  - Of the families helped, 98 percent have retained their housing.

