

Entrepreneur

Taking root

Arborist branches out with 2nd business: tree-treatment technology

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WOBURN -- Somewhere at the root of Peter Wild's latest tree care business lies the woolly adelgid.

In the mid-1990s, Wild, a veteran tree care specialist, observed that a widespread insect infestation that preys on hemlock trees was beginning to have a devastating impact on the customers for his Woburn-based firm Boston Tree Preservation Inc., which he established in 1977.

Proving the old adage "necessity is the mother of invention," Wild decided to launch a second business, Arborjet Inc. of Woburn, in 2000 to target the scourge of aphid-like woolly adelgids -- and wound up with an operation that continues to expand along with the variety of exotic species attacking urban trees.

Whereas Boston Tree is a service-oriented firm dedicated to the care and maintenance of trees -- everything from planting to pruning -- Arborjet was conceived as a 15-member manufacturing outfit whose aim is to develop and market products that treat plant diseases.

The new business revolves around two key points of sale: equipment and product. The core, minimally invasive technology -- known as the Arborjet Micro-infusion System and trademarked by Wild -- delivers insecticides, fungicides and plant nutrients through small injections at the trunk of a tree. The system is designed to be used in conjunction with a variety of proprietary chemical formulations available in nine different types, ranging in price from \$35 for one liter of a nutritional supplement to \$2,400 for 200 liters of a systemic fungicide.

The products are manufactured on-site at Arborjet's 8,000-square-foot facility and sold directly from its headquarters and Web site to about 500 clients, primarily in three sectors: government, landscapers and private landowners.

Arborjet's intent, says Wild, is to inject new life into an evergreen industry whose treatment practices haven't changed much in 50 years.

"When you jump into an existing market, that in itself can be a battle," Wild, 52, acknowledges. "But when you're introducing a new standard, which is what we've done, the industry has to be re-engineered."

While he's encountered his fair share of naysayers along the way, others in the industry have thrown their support to Wild, such as Dennis Souto, an entomologist with the USDA Forest Service in Durham, N.H. "If you're going to use insecticides, putting them into a tree is probably a good way to do it, rather than spraying," says Souto. "With systemic insecticides, you can get a couple of seasons of control, so it's cost-effective."

On the precipice of a possible breakthrough in the marketplace, Arborjet closed last year with \$1.5 million in combined sales and investment capital, with \$500,000 in sales alone, and expects to see that number rise to \$2 million this year with \$1 million in sales. Sales are about 90 percent domestic and 10 percent international.

For Wild, the process of getting Arborjet firmly planted in the marketplace has been both painstaking and costly. While he incorporated in 2000, the time it took to develop his first proprietary formulation, complete the necessary trial work, and register it with the EPA prevented him from reaching the marketplace until the spring of 2003. An initial personal investment of about \$1 million, he says, "constituted a life savings. Being married with three children, I could not have moved forward without the support and blessing of my wife."

Funding for niche startups doesn't grow on trees, however, and Wild sought further financial assistance from an angel investor -- a longtime business acquaintance -- who has infused Arborjet with \$2 million in capital over the last two years.

While Arborjet has turned a healthy profit from its products, it isn't yet cash-flow positive, given its high operational costs. Wild says the firm has been spending about \$1.2 million each year for the past two years on product branding, research and development and production -- \$250,000 in R&D alone.

"They're doing a lot of interesting stuff that is pretty innovative -- and they're doing it with good materials and good science," observes Jonathan Bransfield, who operates Bransfield Tree Service in Woburn. "A lot of other companies (in the industry) aren't moving forward."

Wild says he's banking on relationships that the firm has established within the agricultural chemical industry with firms such as Bayer and Dow, which have sold their molecules to Arborjet for use in its formulations, to further fuel the business.

"We've established ourselves as qualified formulators of molecules within the ag-chem industry," says Wild. "Now, we have these large corporations coming to us, saying, 'We've got a molecule, what can you do with it?'"

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