



# The Worm's Way Group Gardening With an Environmental Twist

By Tom Schuman

**Company:** The Worm's Way Group  
**Address:** 7854 North State Road 37, Bloomington  
**Telephone:** (812) 876-6450  
**Web site:** www.wormsway.com

**Management:** Employee-owned company; Martin Heydt, founder and CEO; Claude Eastridge, general manager  
**Employees:** Approximately 100, including more than 60 in Bloomington

**Locations:** Retail stores in Bloomington, Florida, Massachusetts, Missouri, Kentucky and Tennessee. BWGS (Bloomington Wholesale Garden Supply) operates in Bloomington, with BWGS West based in California. Sunleaves is the company's own line of year-round garden products.

**What they do:**

Worm's Way is a leading distributor and retailer in the hydroponics (growing plants without soil by providing nutrients in a liquid solution) and organic gardening industry. Some of the products sold are complete indoor lighting and hydroponic gardening systems, organic fertilizers, growing media, pest control, environmental controls and soil amendments.

**History:**

Heydt purchased an old bait shop in 1985, turning the 500-square-foot space into the first Worm's Way store. Today, the Indiana retail space is more than 7,000 square feet with gardening products, a greenhouse and full-scale indoor water garden. Administrative offices, warehouse and more are also part of the Bloomington campus.

Marketing Coordinator Patrick Petro says the most prevalent story about the company name (it does sell some red worms) dates back to the beginnings in the former bait shop. Occasional phone calls still come in with the caller asking what types of worms are for sale.

**Competition:**

The strategically placed retail operations, along with the wholesale distribution facilities in Bloomington and on the West Coast, provide Worm's Way with an advantage over others that typically specialize in just one aspect of the business. Aggressive pricing, a variety of products and a strong warranty benefit the company.

Petro says the wholesale and Sunleaves Garden Products line are the two fastest growing areas of the business. The wholesale operation doubled in the last five years with the West Coast expansion. Online and mail order services are proving popular for the retail division.

THE WORM'S WAY GROUP

**Product development:**

Trips to product fairs in the United States, Canada and around the world lead to extensive testing in the Bloomington lab. "We get a lot of requests for new products based on changes people would like to see to existing products," Petro affirms.

Fluorescent technologies are coming to the forefront. Petro says, "There is far less energy usage, far less heat produced. That is the way the market is going now."

**Popular purchases:**

Bat and seabird guanos, alternatives to chemical fertilizers, remain top sellers. Ebb and flow systems, a way of controlling the nutrients that reach the plants' roots, are attractive to many due to their ease of use. Many other products, Petro notes, change quite rapidly.

**Getting the word out:**

The company produces six different catalogs a year (the first full-color, glossy edition coming in 1991), distributing between 10,000 and 30,000 copies of each. An Internet presence has been in place since 1995. The creative team enjoys working with the company logo, a worm that Petro says maintains its helmet and overall look while evolving to meet different needs. Superworm even starred in a series of web site movies in 2005.

**Giving back:**

Worm's Way participates in local, regional, national and global hunger initiatives. Hydro for Hunger was initiated by the company. Proceeds from sales of certain products and funds from corporate donors are utilized to help provide people in developing countries with the knowledge and tools to become self-sufficient through simple hydroponic food production techniques. Also, Plant a Row for the Hungry encourages gardeners to plant an extra row and donate the additional produce.



The original Worm's Way store signage (in 1985) and a customer making his selections in the current facility.

**Closer to home:**

The environmental friendliness in Bloomington helps, but Petro admits many people "know our name, but don't exactly know what we do." Traditional plants and landscaping are not part of the mix, but there are a number of seminars and training classes on hydroponics, pond building and more. A GOES (Growing Organic Educator Series) program teaches gardening techniques and requires community volunteer work for participants to practice what they have learned.

**Employee ownership:**

Heydt implemented an Employee Stock Ownership Plan (ESOP) seven years ago. ESOP shares are distributed annually (supplementing the 401(k) program), based on salary and duration with the company. Values have increased in all but one year (the opening of the California distribution facility). An analyst-predicted flat financial forecast for the next year turned into robust growth of 19%.

Petro says it's the culture that makes the difference. "It's productivity, new ideas for products, conserving consumable goods. The share values are directly dependent on everyone's performance. We attribute a lot of our growth to that. The ESOP communications committee makes it an integral part of our business."

Special events, celebrations and frequent communication are part of the ESOP outreach. Worm's Way recently received the 2007 ESOP Company of the Year award from the Indiana chapter of the ESOP Association. In addition, human resources specialist Kristin Jaracz-Steier earned the Indiana ESOP Employee Owner of the Year award.



Store manager Julie Hooker is at work in the greenhouse that is part of the Bloomington retail outlet, which features a wide variety of products.