

Craig Froeter: Turning an Idea into an ‘Obvious’ Solution

Amidst strewn paper, tools and other gadgets piled on his desk, Craig Froeter problem-solves installation of a Froet Drain® roof drain with one of his 16 independent reps. Founder, marketing director, finance officer and quality manager for Froet Industries, Craig is a busy guy.

Over the previous two years, the company has realized 30 percent sales growth that will only go up as this innovative product catches on in the marketplace. His unique, yet simple roof drains can be found in most of the 50 states and are moving into the Canadian market. The company’s design has the potential to become the industry standard.

Just what is a Froet Drain® roof drain?

About 10 years ago, plumbing building codes changed to require a back-up roof drain system. As a result, the industry adopted the standard of installing both a primary and back-up system. Craig’s Froet Drain® roof drain combines two systems into one. The design features two inlets and two outlets in one fixture. The Sensor notifies maintenance staff when there is flow in the overflow drainage system.

Contractors using the Froet Drain® and Sensor save \$250,000 or more in installation and replacement costs for an average size school building because the number of drains installed is reduced by half. Additionally, the Sensor monitors the overflow system to prevent water backup on the roof that results in a damaged or collapsed roof.

A third generation roofing contractor, Craig came up with the idea while working at his family roofing business. “I was just sitting around thinking, and scratched it out on a scrap piece of paper.” He forgot about it for the next 4 or 5 months, and then had a really bad day at work and felt it was time for a change. “So I went to my patent attorney and asked him what he thought,” said Craig.

A consummate tinkerer, it wasn’t his first patent. That one came about in the mid-1980’s when he designed a solar collection device. He was awarded the patent, but by the time he got it, no one was interested anymore. “It makes for a very nice \$8,000 wall hanging,” Craig grins wryly. He has three more wrap-around patents pending.

He took a prototype of his newly patented, roof drain product to competitive plumbing manufacturers in the plumbing industry; none were interested. After visiting a trade show in Fort Worth, Texas, Craig decided to move forward since everyone liked it. Some who had already looked at the product wanted to buy him out, but they’d had their chance. In June 2002, Craig started his

manufacturing limited liability corporation. “No one wanted to do it, so I *had* to do it. If I hadn’t, the whole rest of my life I would’ve sat there and thought that I should have.”

Presently, the company operates out of an incubator, located in Sterling, Ill. – a community of about 16,000 in northwest Illinois. Craig sees the incubator as a great tool for someone starting a business because of its many advantages such as cost, size and availability of the loading docks. The Greater Sterling Development Corporation incubator houses entrepreneurs willing to take a chance and capture something new in the marketplace.

Three Development Corporation graduates have gone on to operating out of a nearby industrial park, and Julie Baeza, small business and technology center manager, is confident that Craig will be another success.

To remain competitive with other US companies, his roof drain is produced in Wisconsin and China-based foundries. Craig also recently hired office and warehouse managers. Eventually, he’ll bring in a sales manager and other necessary positions. In the meantime, Craig enjoys his travels that amount to three weeks out of four in 2- to 3-day stints. “The air miles and hotel points are great,” he grins.

In the very early days of the business, he did everything himself by working nights and weekends while still at the family roofing company. “That first year, I filled the warehouse with product, closed the door and came back a year later in 2003,” remembers Craig. He then began the slow process of marketing his product to plumbing engineers to put his drain into their specifications. Engineers have a tendency to be very conservative, preferring companies with a track record of 10 years or more.

His first sale came in April 2004. When he realized in September that it was going to become something, he went to part-time at his family’s business. Less than a year later, Craig was 100 percent into Froet Industries. “I remember waking up at 3 o’clock in the morning and wondering what the hell had I done.”

In many ways, it is the engineers he flies all over the country to visit who offer him the most encouragement. “I just can’t sit at my desk for days and days, waiting for the phone to ring.” His investors have been tremendously supportive, as has a local bank that has never said no to his funding requests. Grants from Illinois’ northwest region entrepreneurship office have partially funded his patents. His younger brother and graphic designer, Chris, developed the Froet logo and continues to provide Craig with his promotional materials. During their high school years, his children helped out around the office.

His advice to would be entrepreneurs is to develop a business plan, citing the Internet as his most valuable resource in building the company. Although it may

be tedious and boring, the process makes a person slow down and think in depth. “Creative people have never been very good business people, so it’s very easy to take off running,” Craig reflects. “Writing the business plan brings you back down to earth.”

Infringement issues can also be a concern for new start-ups. Patent protection and aggressive legal action are absolute musts for a business owner. Craig further suggests doing something better today may cost a little more, but will pay off in the long run. “I’ve tried to create a better product, not the cheapest one on the shelf.”

Craig cautions against growing too fast. In the plumbing and roofing industry, it’s imperative that the right amount of product is received on time. If not, the contractor will pass him by. Managing supply with demand has to be a controlled process.

Craig doesn’t plan to stop anytime soon. He says, “I’m too immature to retire right now. My wife is much happier having me here.” In addition to market expansion, he plans to add more products through acquisitions and new product development. “If you’re stagnant and stay the same, you fizzle out. You’re going one way or the other – one way is bad and the other isn’t.”

Froet Drains® roof drain and Flow Sensors are in use on the roofs of hospitals, shopping centers, schools, hotels, factories, office buildings, and colleges throughout the nation, soon into Canada, and undoubtedly other worldwide markets.

“I still wake up at 3 o’clock in the morning, but this is what I’ll continue doing until I’m done.”