

## Success filters through for Tualatin environmental firm

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TUALATIN -- Ten years of hard work is paying off for Tualatin-based BioReaction Industries.

The firm, which designs, makes and markets filters to eliminate industrial pollutants and odors, stands poised on the cutting edge for a rapidly growing market.

Its filter systems use microbes to do the job.

"The bugs eat them and convert them to carbon dioxide and water vapor," said Randall R. Thom, BioReaction's president and chief executive.

The firm's innovative and compact systems are seeing increasing use by the paint, wood products, and pulp and paper industries.

Sherwin-Williams is its largest client. BioReaction also has installed filter systems for the city of Portland.

"We design and manufacture and sell these bio-filters using our proprietary and patented technology," Thom said.

That technology should allow the company to earn a gross profit margin double that of the industry average, according to the Oregon Entrepreneur Forum, which recently named BioReaction Industries its 2002 Development Stage Company of the Year.

The organization said that as industrial development increases around the world, the international market for efficient, effective pollution control is expected to increase dramatically, to an estimated \$34 billion by 2008.

Thom says BioReaction will do about \$1 million in sales this year and expects to do between \$4 million and \$6 million in 2003.

BioReaction Industries employs 20 people at its 24,000-square-foot plant at 9673 S.W. Tualatin-Sherwood Road. The site has been its home since the firm was founded in 1993 by Thom -- who holds a bachelor's degree in chemistry from Lewis & Clark College and a master's in business from the University of Portland -- and biologist William Stewart.

They met while Thom was trying to find a way to reduce pollutants for another company, and Stewart was working on the idea of a compost-based bio-filter. They co-authored the firm's first patent, which was issued in 1996.

Their challenge was a familiar one for new businesses, getting from concept to a manufacturable product.

It didn't help that at the time no market for their proposed project existed and that many people insisted they were trying to develop a product that couldn't be built, Thom said.

Their breakthrough came when they developed their own biomatrix. The biomatrix is a compost material that houses the living community of fungi and bacteria that eat the pollutants as their primary food source.

The biomatrix Thom and Stewart developed and patented allowed them to significantly reduce the size and improve the performance of bio-filters.

Previous bio-filter systems developed in Europe took up an area the size of a football field or a parking lot, Thom said.

"We've reduced them down to the size of a parking space or a couple of parking spaces," he said.

The bio-filter units plug into a company's exhaust system.

Bioreaction got another boost two years ago when it was acquired by the DBSI investment group out of Meridian, Idaho.

"That gave us the funding necessary for us to grow as a business," Thom said. "It provided the capital to take us from a bootstrap startup to a company that has a developed product and has the opportunity to go out and sell the product." Ray Hughey: 503-221-8440; [weeklybiz@news.oregonian.com](mailto:weeklybiz@news.oregonian.com)

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