Full Circle

Glenn Barrett, founder and CEO of OrthoLite, is celebrating the components company's 25th anniversary by launching a game-changing midsole material. The party is just getting started.

Greg Dutter | April/May 2022, Q&A | April 25, 2022

It doesn't happen often. Something comes along that transforms the entire industry. One such example is EVA foam, which revolutionized how athletic midsoles are made. The shoes became lighter with better rebound and improved comfort. The material became ubiquitous. One drawback, however, is that the widely used petroleum-based EVAs are unkind to Mother Nature. They release volatile organic compounds into the air when decomposing, which contribute to the formation of tropospheric ozone—very bad for plants and humans. What's more, these

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EVAs take *thousands* of years to decompose and, in doing so, pollute groundwater. Layer on the fact that *millions* of athletic shoes are clogging landfills worldwide each year and one can't help but think there *has* to be a better, cleaner way.

Glenn Barrett, CEO of OrthoLite, the company that has cornered the insoles market (300-plus brand partners) over the past quarter century, believes his company has achieved it with Cirql, a midsole material that will make Mother Nature grin ear to ear. Cirql is a biodegradable monomer foam that's free of harmful chemicals. Even better, the material is industrial compostable. This could make Cirql a game-changer. The material is not a pollutant, it can be recycled repeatedly and—through industrial composting—it breaks down into clean dirt in a mere few *months*.

"That blew my mind," says Barrett, remembering when he came across the initial concept about five years ago. Circularity is the Holy Grail of sustainable design. He knew OrthoLite *had* to find a way to commercialize this material. "It's important not to have a big carbon footprint, and Cirql doesn't," Barrett explains. "But at the end of the day, the material has to go somewhere because you can only make so many park benches out of recycled bottle tops or whatever. The fact that Cirql can be true circularity—a very intended pun with the name—makes this head and shoulders over anything else. It's a total breakthrough."

Barrett credits longtime friend and collaborator Rob Falken, a "genius inventor," for creating the miracle material, one that uses nitrogen so it doesn't need to be chemically foamed. Cirql meets OrthoLite's mantra: delivering comfort in components that make footwear better, followed closely by sustainable design attributes. It's a one-two punch, he says, that's not easy to land. "For years, people have asked us why we don't make midsole foams, since we are the experts in insole foams," Barrett says. "I'd always say, 'Not until we see something incredibly unique.'"

Cirql is. But this material didn't appear overnight. "This isn't something where you say, 'Let's buy one of those machines and

make it,'" Barrett says. "It's taken years to perfect, and it's been a chore." It has also required tremendous investment by OrthoLite. "We brought Rob in as our VP of Global Innovation, we've commercialized the product, we applied for patents, we've built a factory in Vietnam…we're all in," he says.

Part of this extensive process has involved making sure Cirql meets or exceeds current EVA performance standards. It does, Barrett says. "We've done all kinds of testing, and we have equal or better elongation, tensile, rebound, compression—all the stuff that you look for in a midsole," he says, adding that, as with OrthoLite insoles, variations of Cirql are already in the works. "We have dozens of insole types—ones that are more breathable, have better rebound, recovery, etc.—and we'll evolve Cirql to meet specific performance needs as well." But Barrett doesn't expect the industry or consumers to take OrthoLite's word on Cirql's attributes; numerous independent agencies back them up. "It's important, every step of the way, that our materials are tested by outside sources," he says, citing the rampant greenwashing of late. "We're not going to fall into that trap. Third party organizations that specialize in environmental performance standards have been helping guide us on the quest to make this great foam."

What about the cost? "It's not out of the ballpark," Barrett assures, adding that once production gets up to scale, costs should come down. "In the meantime, I don't think our brand partners have an issue. It's competitive." The fact is many of OrthoLite's partners have been searching for a more sustainably designed midsole construction. Thus, it's an investment that brands are willing to make when considering that Cirql's near- and long-term benefits far outweigh negligible cost increases.

Cirql might sound too good to be true, but Barrett has been in this business for four decades, and he believes OrthoLite is on the verge of revolutionizing the industry—again. The company has the track record, resources, talent and customer base to reinforce his confidence. And Barrett has a sixth sense for knowing when

he's on the verge of something big. What's more, initial feedback on Cirql has been tremendous, and it has come from an array of brands. "We sell to pretty much everybody, so we're like a fly on the wall and know what the market needs," Barrett explains. "And Cirql addresses a need that is universal in our industry: a desire to have a better environmental conscience. It's absolutely revolutionary."

OrthoLite continues to push the envelope on insoles innovation. Its latest effort, the ESD Shield, is the first-ever bonded electrostatic discharge protective insole. Aimed at the work and service industries, ESD Shield employs OrthoLite's patented Fiber-Fusion technology utilizing conductive copper fibers that require no glue to bond to its X35 foam, which doesn't degrade over time. None of the foam's breathability, moisture-wicking and eco-friendly properties are compromised.

ESD Shield is yet another example of how OrthoLite rolls: seeing opportunities and then creating solutions. That's how it all started 25 years ago. "Nobody really focused on the hot, sweaty, smelly place you put your feet next to," Barrett says. "We did, and our open cell foam insole material takes care of that." Flash forward and OrthoLite is now the world's leading supplier of open cell foam technology. It's found in more than 550 million shoes from a Who's Who of brands annually, not to mention the Official Insole Supplier of the New York Yankees. "I always dreamed of having my name in lights at Yankee Stadium, and now I do," Barrett says.

Barrett is living the entrepreneur's dream: a thriving company, built from scratch, that continues to innovate and, now with Cirql, expand into new markets. So what if it took 25 years for that first extension? Barrett believes this is the perfect time to branch into midsoles. The need is apparent, the solution (Cirql) has been created and OrthoLite has proven it can deliver. "To be honest, I didn't even think about a next component for the first 15 years of OrthoLite because it was so important for us to stay focused on the task at hand," he says. "You've got to keep your

mind on your knitting and make sure you do it well. If our team didn't do that, we couldn't have made Cirql, which I fully expect will become as ubiquitous as our insoles."

Above all, Barrett is proud that OrthoLite remains true to its mission introduced 25 years ago. "The only claim we've ever made is comfort," he says. "All we want to do is make the world a more comfortable place."

How come no one else has developed a sustainable midsole foam material to this point?

Good question. It goes back to one of my mottos: The harder you work, the luckier you get. I'm very happy that we worked hard and developed this material before anyone else. It takes time and a lot of investment. Our process relies on established science and production methods, done differently. Meaning, we didn't invent 'super critical foaming' using nitrogen in the process. We invested doing it in this particular way, and then worked with a company that manufacturers raw materials made of biodegradable plastic. We took that material and modified it into something that we can foam, which has never done before. Nothing just comes out of the sky, but we were able to use existing technologies and improve on them to create Cirql. It's unique enough that we've been issued patents, and more are coming. I'm extremely proud of our team. Again, this material is biodegradable and industrial compostable. Every bit of plastic that was ever produced in footwear is still here. That's scary, right? So what really turned us on the most about this material is that it's an end-of-life solution. This material goes back to dirt.

How much bigger can OrthoLite become with the launch of Cirql?

Way bigger, and that's what keeps me up at night: How the heck are we going to scale that? You've got to be methodical, for starters. But it's a good problem to have. Cirql addresses a

genuine need. We're not asking people to put a whistle on the laces, or anything frivolous like that. Cirql is a logical story. We're addressing a desperate need in the marketplace and the world.

Do you envision Cirql being used outside the shoe industry?

It could. Polyurethane (PU) foams are ubiquitous. Whatever you are sitting on right now, unless it's mesh, is likely a PU cushion. So as we develop the process, the applications are endless. That said, the footwear industry provides plenty of growth opportunities for Cirql. It's enough of a headache. (*Laughs*)

Any lessons learned along the way to becoming ubiquitous in insoles that might apply to midsoles?

It starts with listening to our customers. We don't develop product in a vacuum. By listening and learning what they need is a huge advantage. But we have to deliver. That's the key, because we might have the greatest idea on earth, but it means nothing if we can't make it and deliver it on time. Our focus is on our ability to meet demands in this supply chain.

Might Cirql's sustainability attributes be more important than its performance ones?

To some degree, but Cirql *has* to work. Build it and they will come. Because if you don't build it right, they ain't coming. Sustainability is nice, but the product must perform. And Cirql does.

Why has OrthoLite, since its founding, had a strong sustainability component? Because it's not like it was expected back then.

From the start, we've incorporated recycled tire rubber into our insoles. I remember seeing news footage of old tires that would

burn for years and thought there's got to be something that we can do with those tires. We even formed a team at the University of Massachusetts, one of the best polymer science schools in the country, to address the problem. However, I quickly discovered they lacked my, or any business person's, sense of urgency. So I just went ahead and included recycled tire crumbs in our insoles. It was just the right thing to do, and our sustainability efforts have progressed ever since. From day one, sustainability has been part of OrthoLite's DNA. I'm not necessarily a tree hugger, but these decisions are just logical to me.

What exactly were you envisioning when you launched OrthoLite 25 years ago?

Did I envision that OrthoLite would become this enormous? No. But I'm not surprised at how successful our materials have been. Because we've always listened to our customers and did what was logical. For example, early on we purchased PU, which then was two materials, from a large chemical company. Then, around 2007, we realized we have smart chemists working for us and should make the material ourselves. The impetus behind that shift was fueled, in part, because we started adding more bio-based ingredients to our compounds, like substituting castor oil for petroleum. But our suppliers couldn't keep up with us on that request. So we created the Dongguan Eco Polymer Company and built our own chemical factory. We went completely vertical. Soon after, we started blending like 80 different ingredients into our materials, which is what we do to this day. This is how we control our destiny: we know everything that goes into our materials, we can vouch for them and we can fine tune them for our customers. As such, we have proprietary compounds and we're unique in that we own our factories. We are not just a sourcing company. That has sent a message to the industry that we were incredibly serious about what we do.

OrthoLite is a chemical company that specializes in footwear components, correct?

That's it. Our materials have to perform a certain way when it's stuck inside a shoe, basically. That's pretty specific. So, in terms of how we got to this scale today, we've always been able to meet the needs of our customers, wherever they happen to be manufacturing. That used to be mostly in China, and now a lot of it has moved to Vietnam and Indonesia. So opening our factory in Vietnam was just logical. We work a year out with our customers, but we get our orders from shoe factories that can have four-week lead times. So we have to react quickly. I don't want to have to put stuff on boats in Hong Kong and hope it gets to Indonesia on time. I want to drive a truck across the street to the shoe factory, basically. Vietnam was first, Indonesia and India we see as next. The athletic business is migrating out of China, and that's pretty much what we chase. We have a license in Brazil right now to form a joint venture. And with regards to our recent joint venture in Spain, more and more fashion brands are making comfortable constructions. We're servicing some great fashion brands now.

You must be qualified to run the UN.

Don't get me started, because I'd love to. Being able to understand how various cultures do business is one of my biggest kicks. It's why I so miss traveling and working with them in person. Fortunately, my team is also very good at bridging cultures. You can't do this stuff on your own. I have a great C-suite team—people who have international experience working with bigger companies outside of the footwear business. Our president (son, John Barrett) was previously a boutique business manager for a luxury French linen company. Our CFO (Milton Brice) worked previously at Hershey and ran their operations in China. It's just like making insoles: you buy ingredients, mix them, find partners, etc. My point being that my team has made my job a lot easier. And while we're a pretty big company, we stress that we're a close family. They love working in our family-like, entrepreneurial environment. They are all shareholders. I'll throw in, gratuitously, that we have an extraordinarily low turnover rate. We bring people together, and they stay.

At this stage of your career, what is your biggest responsibility?

I'd say leadership. I try to create opportunities for people and encourage them to do things that maybe they didn't think they'd be able to do. I believe the best way to lead or motivate people is to let them do and maybe make mistakes. I want people I have to rein in.

Is your son the heir apparent?

It's something we think about. He's our president and we couldn't have done what we've done over the last 10 or 15 years if we didn't have him based in Hong Kong. It goes back to trust. John joined us when he was 28. I wanted him to work for other people first, because we can't teach him everything he needs to know. And when he first joined our company, he took a big pay cut and moved to China for a year to work for our general manager (Peter Lunder). I told him to do whatever he tells you to do, and he did. Then, he moved to Hong Kong and traveled often to Indonesia and Vietnam—wherever we needed him to go. He's built a great team. It helps that he's fluent in Japanese, Chinese and Spanish.

As a key link in the supply chain, how has OrthoLite navigated the disruptions of the last two years?

It's been challenging. But we've come through the pandemic really well. We've had limited disruptions in our production. First off, we were able to get all our employees vaccinated early on in Vietnam and Indonesia. And getting chemicals hasn't been that big of an issue. But there have been issues with fabrics. Fortunately, since we're based in all these different venues, we work with local suppliers for our components—just like we're local suppliers for the shoe factories. That's helped. So while there have absolutely been challenges—like when orders were shifted from one country to another because factories were shut down

and we had to move some large finished goods inventories quickly —we've been able to adapt. Fortunately, the demand for shoes is through the roof. It's not like our business just evaporated.

What do you love most about this industry?

This industry encourages entrepreneurship. You can take chances in shoes. We're an open-minded industry because we're led by so many creative people. That's fun! Another thing I love is that shoes aren't a fad. Everybody will always wear shoes. So, we're fairly recession-resistant. I also love the camaraderie in this industry.

That camaraderie is reflected in the Two Ten Footwear Foundation. Congratulations on being named the latest A.A. Bloom Memorial Award recipient. What does that recognition mean to you?

The shoe business has been very good to me, and Two Ten allows me to give to a philanthropic organization that serves the great sphere of people that I work with. It's such a unique and wonderful organization. What started out about 80 years ago because a bunch of salesmen in Boston passed a hat to help fellow workers in need...that's pretty much how Two Ten works to this day. Along those lines, even though everybody pretty much in the world wears shoes, this is a relatively small industry. If you establish trust in this business, people will take a chance on you and let you prove yourself. I'm fortunate to have been given that chance. Giving back is the easy part.

What do you love most about your job?

I love that OrthoLite has carved out this niche where we add value to the end product. It's something I believe we understand and do very well. Beyond that, I absolutely *love* the people I work with. I love the way we challenge each other, and I can't wait to see everyone in person again. We *need* to see each other. •

Sole Man

Glenn Barrett, an entrepreneur at heart, has launched three companies, built one behemoth, donated over $1 million to Two Ten Footwear Foundation and has loved every minute of his 40-year-plus career.

Glenn Barrett never dreamed of a career spanning four decades in the shoe biz, let alone launching OrthoLite as a one-man startup that would mushroom, over the past 25 years, to 3,500 employees worldwide with factories in China, Vietnam, Spain and, soon, Brazil. The company has become the Kleenex of insoles, renowned for its comfort and performance products. OrthoLite is as much a footwear components company making insoles (and now midsoles) as it is a vertically integrated chemicals company. What's more, it is committed to doing what historically has been a very dirty business as sustainably as possible. OrthoLite, with Barrett at the helm, has blazed a trail that benefits the entire industry and planet.

Not bad for a guy who had no plans for this career path. In fact, Barrett's first job out of college was selling paper products—a very *Dunder Mifflin*-esque experience, albeit in New York, not Scranton, PA. It was sheer chance when a headhunter called about a sales opportunity with a company that made shoe soles. Barrett assumed it was Vibram, a logo he remembered from his college days, when he and his ski buddies wore Dunham Continental Tyrolean boots. "I thought to myself, 'Why the hell did I know that?'" Perhaps it was footwear fate. "I remembered that yellow Vibram label," he says. "I was intrigued, and I went to work there. You know the rest."

For those who don't know, Barrett worked at Vibram for about eight years. Midway through his tenure, he saw that production was transitioning to Asia. A few scouting trips opened his eyes to the innovative rubber technologies being used at athletic shoe factories there. He returned saying Vibram should manufacture there, as well. "This was the early '80s, I was young and it wasn't

moving fast enough for me," he says. "So I decided to do it myself."

An entrepreneur was born. Barrett launched G2, sourcing rubber soles in Taiwan, South Korea, Malaysia, the Czech Republic and Mexico. The premise was to offer the same high-quality components but less expensively, so that U.S. manufacturers could maintain competitiveness. Clients included Dexter, Herman's Survivors, Sperry and Timberland. Another key ingredient to G2's success: the trust Barrett had built with customers over the years. "There's no substitute for trust," he says. "Getting in the door and telling your story is one thing, but if you fail to deliver, you're done. G2 delivered."

G2 did—until its American manufacturing base dried up. When all footwear production essentially migrated to Asia, it was time to evolve. By this time, Barrett had developed a good sense of what was missing in the marketplace. Thus, his decision to leap from outsoles to insoles. "It was a part of the shoe that people had ignored," he says. It seemed logical, combined with the fact that Barrett had recently been introduced to an open-cell, breathable polyurethane material. The chemist believed it would work well inside shoes, and Barrett agreed. "The material was phenomenal," he says. "It just made sense to run with it and go hard."

OrthoLite was born. Barrett, a born risk taker, burst out of the gate selling his new-and-improved insoles. There was no looking back. "You can't second-guess yourself; once you decide to do something, then do it," he says. Besides, there was no one to doubt him since this was a one-man operation. In hindsight, that was a good thing, he says. "When you do something on your own like this, you're so single-minded, and I think that's how OrthoLite got off the ground," Barrett says. "Plus, I'm an entrepreneur because I have a problem with authority. No one would really give me a job, so I had to create my own."

A quarter century into OrthoLite's life and the company is just getting started. Cirql is the star of Act II. The future, Barrett

believes, is brighter than ever. “We’re a chemical company that makes our own materials and that’s focused 100 percent on how they perform in footwear,” he says. “There’s no one else like us, and that has a lot to do with our success.” —*G.D.*

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