

From the San Antonio Business Journal:

<http://www.bizjournals.com/sanantonio/print-edition/2011/08/12/firm-is-cleaning-up-in-hand-sanitizing.html>

# Firm is cleaning up in hand-sanitizing market

Premium content from San Antonio Business Journal by Tamarind Phinisee

Date: Friday, August 12, 2011, 5:00am CDT

## Related:

[Sports Business](#), [Travel](#)

Kleenhanz is working to generate a buzz for what company owners claim is a better way to wash hands on the go.

The locally based company recently signed a contract with no termination date to supply the San Antonio Warm Springs Rehabilitation Hospital with its lightly moistened, antimicrobial Kleenhanz Towelette.

The Kleenhanz product is a white, 6-by-8 inch alcohol-free hand cleaning and sanitizing towelette that purports to kill 99.99 percent of germs and bacteria using the antimicrobial and hypoallergenic agents Benzethonium Chloride and Benzalkonium Chloride.

As part of the agreement, Kleenhanz will provide the hospital with dispensers that hold about 250 of the towelettes. Kleenhanz also will provide Warm Springs with the product in sports pails, which are portable buckets that hold about 500 towelettes as well as individually wrapped towelettes for patients to use with their meals.

[Ann Jaber](#), a resistered nurse and clinical services coordinator for San Antonio Warm Springs Rehabilitation Hospital, says Warm Springs already has hand sanitizers and sinks are in every room.

"However, it is sometimes hard for patients to access these," Jaber says. "Patients will start seeing Kleenhanz packets on their meal trays enabling the patients to clean their hands prior to eating meals and not feel dependent on staff for their hand hygiene."

The news of the hospital pact comes on the heels of Kleenhanz renewing a separate contract with North East Independent School District (NEISD).

The contract is a one-year deal that automatically renews for two more years. Kleenhanz's first contract was for three years.

Kleenhanz President and CEO [Randall Mendoza](#) says that NEISD primarily uses the company's

dispensers and refill bags for its classrooms and offices.

But it also uses the sport pails for areas such as locker rooms and athletic venues.

## Health and wellness

Kleenhanz hopes to use the new Warm Springs contract as an entry point to the health care and wellness facilities market — which includes hospitals, dental offices and fitness centers.

Mendoza says that eventually all Warm Springs locations will be using the Kleenhanz product.

“After having met with all infectious control directors, Warm Springs intends to use Kleenhanz at all locations, including two new ones that will be opening soon,” he says.

Interestingly, Mendoza says the Kleenhanz towelette has been used by the Dallas Cowboys in the past, and was also used by the U.S.A. men’s and women’s basketball teams when they played internationally last year.

[Ed Ryan](#), national team athletic trainer for U.S.A. Basketball, says he’s impressed with the product and noticed that use of the Kleenhanz towelette cut down on the spread and instances of illnesses.

“From my perspective, one of the real nice things was that normally when we travel internationally for competition ... typically people start to get sick. That did not occur. And virtually the only thing different about this trip was the use of Kleenhanz as compared to previous trips,” Ryan says.

Kleenhanz, in conjunction with Vesa Health & Technology, is also currently marketing its product to the government health care sector and has participated in trade shows in Washington, D.C.; Fort Detrick, Md.; and Sheppard Air Force Base. It will also have a presence at the annual Association of Military Surgeons of the United States meeting in San Antonio in November.

## Growing interest

Traditionally, Kleenhanz officials say, people have been used to using hand sanitizing gels as a way to kill bacteria and wash their hands when soap and water aren’t readily available.

The hand-sanitizing gel craze started more than 20 years ago and then piqued in 2009 during the H1N1 flu pandemic as people looked for ways to prevent the spread of germs.

However, [Lance FitzSimon](#), chief operations officer and co-founder of Kleenhanz, says that while the alcohol-based gels and foams purport to kill bacteria or sanitize, they don’t really clean or take away dirt from hands.

“Alcohol gels and foams were meant to be used after the hands were washed as a sanitizer and not to clean,” FitzSimon says. “When people just use these gels or foams, they’ve just smeared around what’s on their hands.”

The missing component, FitzSimon says, is having something to wipe away the germs or bacteria. That’s what the Kleenhanz product does — sanitizes and removes dirt and bacteria.

Additionally, FitzSimon says, the towelette doesn’t use alcohol and so it doesn’t dry out hands.

Instead, because of the emollients, it moisturizes. Moving forward, FitzSimon says he believes the Kleenhanz product will be the new way to go.

The company has been around since 2002 and has six employees — three of whom were added within the last 90 days — who serve as the companies sales force. Kleenhanz markets the product, but the manufacturing of the towellete is outsourced to a company called Indelpa which is based in Toluca, just 40 miles west of Mexico City. The product is warehoused locally by Southern Warehousing & Distribution on the city's Northeast Side at 3232 N. Pan Am Expressway (I-35).

The Kleenhanz towelette has been sold in local H-E-B grocery stores and through about 1,000 Valero stores for four and 1.5 years, respectively.

At H-E-B, the product retails for the following prices based on towelette count: 16-count travel pack is \$1; the 30-count small canister is \$1.69; the 25-count box of individually wrapped towelettes is \$1.99; and the 70-count large canister is \$2.79.

"With other products often priced at 10 cents per towelette, Kleenhanz is found to be a very cost effective solution," Mendoza says.

Kleenhanz posted just under \$300,000 in revenue last year and expects to more than double that figure by 2013.

"2012 should be a tremendous year of growth for us as we branch out into new markets on a national level with recent expert additions to our sales team," Mendoza says. "We are projecting sales of over \$1.5 million with steady growth in place going into 2013."