

History of Zerorez

Ever wonder how Zerorez got its start? Did our founders just wake up one morning and say, “I have a passion for cleaning carpets. I think I can do something with that!”? But let’s be honest with ourselves...no one loves cleaning carpets or even vacuuming that much. So let’s look at the story behind the revolutionary company and some of the lessons learned along the way.

First, let’s set the stage...two Texans at a crossroads in the old West, both wearing their spurs and Stetsons, trying to decide which road will take them to the nearest watering hole. Ok, so the crossroads was only figurative, and the men were just sitting in a small office in an apartment in Bedford, Texas in 1993, which if we’re being honest was pretty much still the old West. And they most likely weren’t sporting spurs or Stetsons, but they were Texans facing a pretty important decision. The decision was between staying in the property management industry or moving on to something a little less glamorous – carpet cleaning.

John Hopkins asked his business partner Gaylord Karren what he thought about their options. Property management held a more secure future, one in which both men were already well-established in their company which they founded Harbor Property Management. On the other hand, a career in carpet cleaning provided them with an opportunity to stand out in an industry currently restrained by old technology and traditional methods. Gaylord thoughtfully but firmly responded with his preference to drop their property management firm and go with carpet cleaning. John asked Gaylord why he thought that was the best option, and Gaylord simply answered, “Because I got the click.” The “click” referred to Gaylord’s gut feeling. Trusting his partner’s gut feeling and respecting his decision, John agreed, and the two Texans set off on their greatest business venture yet.

But before we take off talking about cleaning carpets, let’s go back a couple decades to when our founders first met. John had just moved to Sydney, Montana in 1978 with a job transfer in the oil and gas industry and met Gaylord, a Sr. VP at a local bank. The two hit it off and started a friendship that would last over 40 years, bringing with it many lessons.

Lesson #1: If you want to compete in an industry, you need the best technology.

While Gaylord was a Sr. VP at the bank, he had started a seismograph drilling company. John was employed by a downhole chemical company. They moved from Sidney, MT in 1980 and together they started a company called BHP DASCO in Houston, Texas that provided transient pressure testing for oil wells. Companies like Exxon and Mobil (remember this is the 1980s) would hire BHP to log and perforate zones that had already been drilled to bring the oil up to the surface. And they had a lot of success too. John and Gaylord attribute their drilling success to their use of state-of-the-art technology. Their’s was one of the first companies to bring computers into the oil and gas industry for down-hole electric wireline services. After just a few years in Texas, they could not survive the oil and gas crash of the 1980s and had to close shop. Hard lesson, but the it was the foundation of something neither one saw coming at the time.

Lesson #2: Do what is right regardless of the consequences.

The two Texans parted ways for a while but always kept in touch. One went to work for Home Depot and the other selling vending machines. However, this undertaking didn't last too long either. They discovered that the manufacturer of the machines had been dishonest with company funds and took the money that was intended to fill orders and diverted it to his own use. This left the new company holding the bag for pre-paid machines. John and Gaylord always valued honest business practices and so they quickly pulled out all their saving and repaid the debt but they lost the company. That experience reinforced the motto to always make sure that the work they did was honest.

Lesson #3: Make sure the work you do is something you believe in.

While Gaylord was taking on Automated Vending, John left Home Depot and had been working in the property management business. They soon teamed up again and the two started their own company called Harbor Property Management. Together they acquired and managed 18-20 apartment complexes for a total of 3,000 units. Many of the properties were vacant and boarded up following the oil crash in Texas. And you thought taking care of one house was hard work!

In those 3,000 units they had to install over 2,500,000 sq. ft. of new carpet. Next to payroll, their number one expense was replacing carpets. Getting them clean they found was impossible. The cleaners being used would leave residue in the carpets, making them dirtier even faster. This is the 1990s by now. Technology was booming and still there was no effective solution for this carpet problem. "If you can put a man on the moon, you should be able to keep a textile on the ground!" John said determinedly.

After almost a year of struggling with trying to build a better mouse trap as they had done in the oil and gas business, they finally found solutions to the industry's two major problems: 1) what the industry used to clean with, soaps and chemicals and 2) the methods the industry used to extract the dirty water and soaps. The partners were introduced to Dr. Bill Hahn, a professor at the University of Colorado School of Medicine, Boulder, Colorado. He was a leading expert on electrolyzed oxidative water (EOW) technology. They soon learned that this fluid could cut fats, oils and dirt, just like a detergent, but with no toxic or dirt attracting residue . . . and it was drinkable, non-toxic. They had solved problem number 1. They next had to find a way to extract the dirty water, using this new cleaning agent without allowing it to ever reach the carpet backing or pad, just rinse the carpet fiber. They found the solution at a Ft. Worth manufacturer and with these two foundational issues solved, they realized that they were sitting on a gold mine. They started a company called Venturi Technologies, Inc. Ten's of thousands of people working in the carpet cleaning industry had been overlooking or ignoring the solutions that were right under their noses..

It was at this point we return to that crossroads where Gaylord got “the click” and made the decision to leave the property management business and focus solely on carpet cleaning. He and John had found the solutions to the industry’s two major problems; they had found a new way to clean.

With this safer, cleaner method, the two men decided to sell out of Venturi. This is when our two founders realized that this work was going to be about more than cleaning carpets. “It became a crusade between right versus wrong.” These other companies knew they weren’t cleaning correctly yet didn’t know how to solve it. John and Gaylord believed the customer deserved better. That belief drove them to pursue carpet cleaning as their final business venture. They had finally found their mission.

However, when they sold Venturi in 1998, they were forced to enter a two-year non-compete agreement, meaning they had to stay out of the carpet cleaning business for two years. So, what did these two business and engineering giants do during that time? They teamed up with a restoration company headed by Jim Stone and continued to perfect their cleaning process under their new company Zerorez. They had continued to develop the technology so by the time they got back into the industry, they hit the ground running.

Under the tutelage of Dr. Hahn and Doug Kindred, an engineer from Atlanta, Georgia, John and Gaylord founded Electric Aquagenics Unlimited, the first company in the world to produce electrolyzed water at a rate of thousands of gallons per day. So while Jim and a new partner, Bill Shupe, managed Zerorez, John and Gaylord perfected and provided the electrolyzed water and with the new wand, they could literally clean a carpet and leave no residue in the carpet.

They knew they couldn’t change the entire industry, but they could expose the industries errors and educate the consuming public to the truth and give them the treatment they deserved. They began franchising the technology in 2004 and now oversee 55 franchises nationwide, generating over \$100 million in national sales in 2018. The company has continued to grow and evolve over the last 18 years, developing new technologies and techniques, consistently backed by the carpet mills as the best carpet treatment.

The company’s name also endured its fair share of change, finally settling with Zerorez Franchising Systems, Inc. “Zr” stood for “zero residue,” in the beginning. Finally, after a lot of deliberation and consultation, the company adopted the name Zerorez. “The ‘Zerorez’ palindrome was a turning point in our history,” said Gaylord. “It’s unique, it’s dramatic, it’s memorable. Our name and our technology is every bit as unique to our industry as McDonald’s was to its industry when founded in the 1950s.”

John and Gaylord have based their entire partnership and company on a piece of advice they received: “If you know that something is right but you’re struggling to stay with it, you tie a knot in the end of the rope and you hang on. You don’t let go.” The Zerorez name forces us as a company to use the right water, the right wand, the right science. It forces us to do what we believe in, to continue to do the right thing.