Natural Standard

Question & Answer with Susan Domizi

*Dr. Catherine Ulbricht, Founder and CEO of **Natural Standard**, interviews Susan Domizi, President and Founder of Source Inc., a manufacturer of seaweed-based micronutrient supplements for animals. She was recently presented with a Lifetime Achievement award by the National Animal Supplement Council (NASC) for her dedication and contributions to the animal health supplement industry.*

Catherine: Welcome to the **Natural Standard** interview series. Today we're pleased to welcome Susan Domizi, President and Founder of Source, Inc. She was recently awarded a lifetime achievement award from the National Animal Supplement Counsel for her unselfish dedication and major contributions to the animal health supplement industry. She has a long history in the animal health supplement industry and started her career in the horse industry as a working student sleeping in a hayloft because the house she was to live in wasn't finished yet. Still she recalls crawling into her sleeping bag each night to sleep with the mice and the barn swallows and feeling privileged to be an employee of a top horse professional, poised to set the show world on fire with her horsemanship prowess.

Though Susan's original dream was never fulfilled a better one came true. Her talented event horse, Hull, was plagued by shelly feet. When she discovered a seaweed based product from Ireland that appeared to help him, she was ecstatic. However, the quality of the imported product was extremely inconsistent. Trained as a biochemist, Susan felt she could do better. She began an odyssey that resulted in the formation of a nutritional supplement company known as Source. Domizi's intense research into the benefits of seaweed meals led to a product that benefited not only poor feet but also weight problems, coat conditions, appetite, stress, and other nutritionally related conditions and is now renowned among horsemen.

Along the way she has developed harvesting and drying techniques that make the various seaweed meals used in Source among the highest quality in the world. She helped launch an organization dedicated to protecting precious costal seaweed beds from pollution and overharvesting and built a strong company able to prevail in the market against copycat competitors.

Like many in the horse industry, Susan works long and hard to achieve success. In fact, managing her business now leaves no time for riding or a horse of her own. Still Susan hears so many stories about horses with nutritional problems whose lives were turned around by her product. She points with pride to a photo of a highly successful, famous racehorse that received Source and was fed Source from the time he was born. She smiles as she tells the horsemen about their secrets for raising winners better able to

withstand the rigorous racing than their peers, and it all started with her love, a big-hearted event horse named Hull. So, this is kind of a fun story, Susan, and we're really eager to learn about how you started your career in the animal health supplement industry.

Susan: I'd love to know where you dug up all that information. I didn't really choose to start a career in the animal health supplement industry. Like many small businesses my company Source began, as you pointed out, because I had developed something useful that benefitted my own horse and others saw the improvement, and they wanted some, too. My background was entirely unsuited for business. It was in philosophy, biology, and biochemistry. I'd worked in cancer research labs in Boston and that was the career that I intended to pursue after I'd finished pursuing my passion which was horses and trying make the Olympic team, which I never did. But a business career was never intended. It has sidetracked me all these years.

Catherine: Well you've come a long way, baby! Have you ever heard that expression? So that's pretty impressive from that to winning a lifetime achievement award. When you first developed your product did you see any problems in the industry and what did you do to raise the bar?

Susan: Well, I didn't really see the extended problems until much later, because I was paddling my own canoe. I think from the very beginning, one of the things that we did to raise the bar was we put a complete set customer satisfaction guarantee on our products. Back then, no one else in the industry did. And in fact, advisors told me that it was a surefire way to go out of business in just a few years. Today, of course, everybody has a guarantee, but I was very glad to start out that way.

Catherine: So, you really believed in your product. You have personal experience with it and you stood by it.

Susan: Well, and back then, frankly, I thought that it would only benefit a certain percentage of the horses that for whatever reason had either elevated micronutrient needs that were being provided by the seaweeds, or for whatever reason. I thought that only a certain small percentage or a certain percentage would benefit. I didn't want to sell something to somebody where it didn't help them. I wanted them to be able to try it and if it didn't help them to be able to get their money back, but as it turned out, after all these decades, I would have to say I don't think we've come across anybody who doesn't benefit.

Catherine: And that applies to other animals, not just horses?

Susan: Two legged, four legged, yes.

Catherine: Okay. Now, when did you first hear about the National Animal Supplement Council or NASC, and what was your impression of the organization?

Susan: Well, frankly, long before it ever started, I had become involved in various aspects of the regulatory process, really back in the mid-80's. You're probably aware that unlike human dietary supplements, animal feeds are regulated at the state level, all the independent state departments of agriculture and they have a process. The states have gathered together an organization called Association of American Feed Control Officials (AAFCO). It is not regulatory in and of itself, but it certainly influences state regulatory decisions and one of the things they have done that this industry relied on so heavily was to develop an ingredient definition process so that any new ingredient coming down the pike would be very carefully looked at. Food and drug wasn't involved in any ingredient definition application through a memorandum of understanding. Each year they would publish a book call the OP, the Official Publication, and if your ingredient was not defined and accepted in the OP, you couldn't put it into an animal feed product. Well, seaweed meals have been used for centuries and centuries, but believe it or not, there was no official ingredient definition. So we started, I think in 1985, to get an ingredient definition in for seaweed meal. We worked with marine psychologists around the world, we worked with Food and Drug, we worked with AAFCO and their food ingredient definition committee, and it only took us about eight years to get a full definition for dehydrated seaweed meals into the OP. During that course of time, of course, I went to all the AAFCO meetings and got to know many of the regulatory people.

As we went into the early or mid-90's, there were ingredients that were starting to crop up in equine supplements. For instance, the joint products, glucosamine, methylsufonylmethane, chondroitin, that did not have an ingredient definition and therefore shouldn't legally be sold for horses or dogs unless it was prescribed by a veterinarian. And yet more and more companies began incorporating these ingredients into their products. This was a tremendous frustration to Food and Drug and to AAFCO. They didn't know how to handle it and it violated the laws and it became an increasing tension between manufacturers and regulatory. I first heard Bill Bookout and Frank Ballard at AAFCO meetings talking about various approaches that could be done and thinking that would be wonderful but you're never going to pull it off. And at the same time, in the equine industry, there was such a disparity between quality products and opportunistic companies' products that we knew because of a litigation of a company selling methylsulfonylmethane (MSM) that turned out by analysis to be 96% Epsom salts. Pretty awful.

Catherine: And that happens in the human world all the time where products are found to contain sawdust or water or prescription drugs. It's interesting for us to learn how the animal health industry is dealing with this.

Susan: Well, everything done in the human industry was also tried, I'm sure, in animals. But, we have people, we have manufacturers who really felt that it could and should be done better. A wonderful individual named Nick Hartog who is the founder of an organization called NADSM, the National…acronyms, aren't they something?

Catherine: No we're learning. This is fun for me, this is very informative.

Susan: Okay, in 1999 he formed and I joined right in and we worked with NAESM which was the National Association of Equine Supplement Manufacturers and our motivation was very much toward what NASC is doing today, but at that point there was no immediate fret and it was hard to get manufacturers to commit to working together.

The AAFCO had tried within its organization several different approaches to dealing with the problems and in August of 2000 they formed NIRFTF, the Novel Ingredients Regulatory Framework Task Force and it consisted of AAFCO members, state regulators, Food and Drug, and I was very fortunate to be one of the two industry members. And we were charged with trying to develop one of the regulatory frameworks that could handle these illegal ingredients. By December of 2001, although we within the task force thought that we were making great progress, it became evident we couldn't go that route, that it would violate state laws and so AAFCO disbanded NIRFTF and appointed a new group called ESMI, the Enforcement Strategy for Marketed Ingredients. Their mission was to figure out how AAFCO could go and get all these terrible products off the market. By terrible I mean simply illegal because they didn't have ingredient definitions. And so, finally they published a planned enforcement that was going to begin in April. It was announced in January 2002 at the spring AAFCO meeting they were going to decide on which ingredients to go after and have stopped sales and get these products off the market. Well, suddenly all manufacturers were faced who had unapproved ingredients, manufacturers were faced to having their cash count, their major products, joint products especially, pulled off the market. And it was enough to get, I believe we had 26 manufacturers at this first legendary meeting in Chicago in early April of 2002. And that was really the formation meeting for NASC.

We came out of that meeting with a strategy for approaching regulatory with a document that we wrote starting the next day called Compliance Plus that outlined the steps that we would commit to take and work with regulatory if they would just give us a break and hold off on this enforcement action until we could see if we could make these good things happen. And they were things like including ingredient definitions. I did not join the NASC at that meeting. I had very good working relationships with the regulatory people and I was concerned about the motivation and the willingness to commit to the higher goals over time so that it wasn't just to preserve their pocketbook. I wasn't sure that the higher goals would be embraced by the membership and the leaders and so I didn't join right away, but from day one Bill Bookout, who was the President of NASC, and I were in communication. Bill and three other people, two other people and I were the ones who wrote Compliant Plus and FedEx-ed it out to the major regulatory people to beg them for time. I spent quite a bit of time communicating with them on behalf of this brand new NASC, would they basically give us a chance. And they did. I have to applaud Bill Bookout, who is the most extraordinary human being and leader because he has created and fostered an organization that has so far exceeded my wildest imagination as far as

its accomplishments. I joined fairly shortly thereafter and have been involved with NASC ever since.

Catherine: So now that you have been involved, that was a great historical perspective on your entryway. What are that additional benefits that NASC brings to the industry today since founding to now. You and they have grown together quite a bit so for people out there interested in perhaps getting involved, can you go into a little bit more depth of what the National Animal Supplement Counsel, what benefits they bring to the industry currently?

Susan: Sure, although I would love to expand that beyond just the industry. They bring up not only to the industry but to the consumer and most important to the animals. To begin with, they have worked very hard and successfully in developing a proactive relationship and communication with the various regulatory bodies so that we can work together on the challenges that face us today and tomorrow. I think one of the most extraordinary accomplishments has been the adverse event reporting system that we call AERS. It so far exceeds what is being done in the human dietary supplement industry. We are very proud of it. Every member is required to report through a secure website any adverse event, whether or not it is directly attributed to the product, whether or not it is serious, and the confidence this gives me. We know people read in the newspapers or magazines that XYZ, this new herb, that new thing is great for people for this. They in turn feed it to their animals. Before the adverse event reporting system, we could go not just months but years in finding out whether or not for example a particular herb might be detrimental to the health of a particular species. Now, every month the adverse event reports are reported by each manufacturer. Food and Drug, by the way, has access to this information. So, we could see in a very timely fashion any problem that might be starting to occur with any ingredient being fed, and I think that that is pretty extraordinary.

Catherine: Definitely, it is interesting to watch the parallels of what is going on right now with the push for good manufacturing practices and to see how what is going on in the human and animal world. How they are alike and what is unique. So, what are the most critical issues the animal health supplement industry faces today? You've touched on a lot of them. Are there any others that we should be aware of? That companies and animal lovers can get involved with?

Susan: Well, I think, ingredient safety, whether it is for human or animals, is one of our increasing challenges. All you need to do is read the newspapers and websites. Again, it is one of the reasons I think our adverse event reporting system is so beneficial. We had it, back for example, when melamine was a contaminant in certain pet foods. The pet food industry does not have an adverse event reporting system. We were able to go immediately into the database and identify any manufactures and communicate with them who might have been exposed to that contamination. Bill was able to provide this information within a day to Food and Drug. It took months for the pet food industry to get to the bottom of it. So I think ingredient safety is one of the biggest critical issues.

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Quality control, this is another place with the benefits from NASC. Education to the manufacturers, as they were required to, if they didn't have it, to begin to develop quality control procedures and SOPs in order to display the NASC quality seal on the product. Periodically the manufacturer has to go through an independent audit of the quality control procedures and SOPs, and we are continuing to develop those they are becoming more and more like the FDAs own quality control procedures for humans.

Let's see, what else. Consumer education, enabling consumers to make wise buying decisions so that they can look beyond products claims. Maybe this one costs $100 and the next one costs $50 and the labels look just the same, and teaching them how to differentiate. You get what you pay for. Encouraging them to call and talk to the manufacturers really to make intelligent buying decisions about what they are going to give to their animals. What does the NASC feel?

Catherine: So it sounds like and this is something, oh go ahead.

Susan: Well, today I think the dietary supplements for non-human food chain animals, which is what we are talking about, horses, dogs, cats, etc. Current membership, I believe of NASC, is about 112 and more than half of them are already fully audited and meet all the requirements. There are three categories of companies in our industry today, and those are the NASC members, and it is the vast majority of the companies, there are responsible companies. There are responsible companies, a very few of them, who have chosen not to become members. They're taking care of things themselves. They are doing a very good job. I wish they would join. Not that they need to benefit themselves, but because the industry needs us to continue to improve, and they could help. Then you have this small group, I think Bill calls them opportunistic companies, who don't care about the regulations. They will make the most, to me, outrageous claims and they don't care about product quality. They just care about what they could do to boost their sales. You also have new comers who just don't know anything yet.

Catherine: Well that is something. I was on the Dr. Oz show recently, and he asked me how to give some consumers some tips on how to choose with all these products on the market and more coming out every day some baseline things to keep in your mind while you are choosing and one of the things I said was look at the history. How long has this ingredient been around? How many people have been using it? Sort of the strength in numbers approach as opposed to some new fangled thing that is being heavily promoted that we just don't have enough observation of yet to be able to put our money on it. We also talked about clarity of labels and if the claims are very grandiose, this makes you into a superhuman or you look like this one day and next week you'll look like this or things like that which I imagine apply to the animal world as well. If it seems too good to be true, it probably is. Exactly. So, save your money.

It's excellent to see that stakeholders are joining together and putting a stake in the ground and saying that this is important, and just like here at **Natural Standard**. We

believe that quality lasts, and for us to conduct one of our systematic reviews, whether it is on a human therapy or an animal therapy, it is very time and labor intensive, but would you rather have some information, the wrong information, or wait for the correct answer. We are talking about health and lives here. It sounds like what you are working on is for the greater good for everybody, so we are happy to see you take a leadership role in this industry and stick to your guns and help raise the bar across the board. Especially now, too, that a lot of manufacturers make human products and pet products. Hopefully some of these good manufacturing practices and company ethics as you described will be contagious in a good way.

Susan: Frankly, I see both industries coming closer and closer together, and I think that most consumers feel that way. They don't want to feed an animal, their beloved, a lesser quality ingredient or product then they would take themselves. So, I would like to see the human dietary supplement industry with as good an adverse event reporting system as we have.

Catherine: I agree, and that is something that part of what we do here at **Natural Standard** is to serve as a clearing house for the international literature and urge people to submit their case reports and their experiences and publish in peer reviewed journals. Anything we can do to get as much experience and information out to as many people as possible, both professionals and consumers. So it seems like we are all going in the right direction, maybe at glacial speeds but we will get there eventually. Right, so…

Susan: I certainly hope so.

Catherine: I really admire your persistence. Susan, as you look back on your career in this industry. What do you see as your greatest accomplishment?

Susan: That was a question that I just blew off. It's really hard to look back because I'd really so much rather look forward to what still needs to be done and for me one of those things is unlocking the secrets of the seaweeds. It has become so evident that there is a tremendous difference in the nutritional quality contained in various seaweeds depending on how they are harvested and how they are processed. You can't just look at a specific species. If you spend some time on PubMed yourself, you'll see a plethora of different kinds of compounds and these extraordinary materials that have benefits. I think every fruit and vegetable trade association is looking for that magic bullet in lycopene in tomatoes and whatever it is blueberries and cranberries. Well seaweeds are just packed with hundreds. I would like, before I die, to be able to look back and say my greatest accomplishment was to help make great progress in unlocking the secrets of the seaweeds. How's that?

Catherine: Excellent, I actually had a fortune cookie last night that said something to the extent of, what is the greatest benefit to your health, or I can't remember if it said to your health or your heart. The message was, "what is the greatest thing you can do to better your

physical self?" The answer was to help somebody up. So, I thought that was good and corresponds to your mantra, so to speak.

As you pass the torch on, to young budding professionals under yourself as a mentor, what is your advice to entrepreneurs just entering into the animal health supplement industry?

Susan: I have two answers. The first is, when they are struck with this feeling they should go sit under a tree or go out on the beach and wait until the feeling goes away. It's a tough and very challenging area to get in to in a good way. If it is into the animal health supplement industry, please join the NASC first to learn how to do it right, and to get the support to do it right. Don't just copy what you see on the websites because if they aren't NASC members then you will probably get misled.

Catherine: Okay.

Susan: That would be my bottom line advice, and NASC isn't paying me for this by the way. I truly believe in what they are doing.

Catherine: So, if somebody was in high school and thinking about their college plan, for example. Is there an academic track that you would suggest? But they didn't necessarily want to be a veterinarian. What sort of academic training could help propel them forward in the industry?

Susan: I would say the same academic track as say premed. Get as strong a grounding as possible in the sciences so that you can intelligently evaluate the ingredients and the proposals that are going to come across your desk as you are growing your company.

Catherine: So, also possibly clinical trial courses and regulatory affair courses. It seems like that would be helpful as well. It is kind of like myself being in the healthcare provider industry for humans is sometimes people will say, "oh, I want to be a pharmacist because I want to impact patient care but I don't necessarily want to be hands-on with patients like nurses would or physicians or diagnosticians, while pharmacists are more focused on therapeutic regimes and nurses may have more social communication training of being hands on caregivers." You don't necessarily have to be a veterinarian to be involved. There are other ways that you can educate yourselves and become active in the industry. In addition to joining NASC that would be beneficial for both to propel one's career forward and to help the industry continue to grow in a positive direction.

Susan: Absolutely, said well.

Catherine: Excellent, well is there anything else you would like to discuss with the audience today or do you think we covered it pretty well?

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Susan: I'm sure I'll think of about 27 different things as soon as we hang up.

Catherine: Well, you know what we'll do…oh, go ahead.

Susan: Well, I am impressed and delighted that you all are incorporating the animal information the animal health database into the **Natural Standard** website. I think that is a wonderful move toward bringing this information globally.

Catherine: Thank you. Well congratulations, again, Susan on all of your accomplishments and we learned a ton from you today and we really appreciate all of your time and effort.

Susan: Well, thank you very much, Catherine. I certainly have to put in a plug. I could never have survived as a company without an incredible team of employees who have been with me, most of them for decades, and a supportive family and a loving husband and sons and wonderful daughter-in-law and grandchildren. You can't do something alone. Just wonderful people to work with.

Catherine: Likewise, we are very lucky, so I wanted to thank Glen also who is in the background on our call today from out technology department who is going to help work to get this posted and make it publically available, and I'll reach out and say hi to my puppies who are at home listening.

Susan: Wonderful.

Catherine: Okay.