

Case study: Alpha Precision Aerospace

Based in Clinton Township, Michigan, Alpha Precision Aerospace Co. provides CNC machining services to customers in the commercial and defense aerospace industries. The company had about 25 employees and \$5 million in annual revenue when it entered Michigan's statewide Economic Gardening® program in fall 2013.

Dennis Irwin, co-owner of Alpha Precision Aerospace Co., admits that he was skeptical at first about Economic Gardening. "I thought it might be just another program with too much fluff and not enough results," he explains. "Yet I was very wrong. The research team really produces and know what's going on in industry."

One of Irwin's major takeaways was discovering to what extent his company is in a niche market.

Specializing in CNC machining for the aerospace industry, Alpha Precision works with exotic heat-resistant materials and is adept at achieving difficult tolerances on large parts, such as making a shaft with different interior contours. "A lot of companies don't want to touch the kind of internal and inside grinding work that we excel at," Irwin says. "The research team solidified that we were on the right track in going after this kind of sophisticated, higher risk product line."

Indeed, when conducting competitor intelligence, the research team found that Alpha Precision had only two competitors in the country: one in Ohio and one in Pennsylvania. This information has increased Irwin's confidence in the company's ability to grow — and helped him better articulate its strengths. In fact, the company, which launched in 1991 as M&M Turning and Manufacturing, rebranded in October 2014 under the Alpha Precision Aerospace name to reflect its unique capabilities and tighter market focus.

The Economic Gardening research team also compiled a list of 700 potential customers, matching Alpha Precision's certifications with prospects' needs. Specific contacts at top aerospace companies were identified, along with their tier 1 and 2 suppliers, which enables Alpha Precision to more directly target new customers. In addition, the list includes medical device and nuclear companies, which are new markets for Alpha Precision.

"The list is golden," says Irwin. "Because our industry has a long sales cycle, it can be 18 months to three years before we actually see parts on the floor. But having this kind of qualified list should significantly shorten that lead time."

The information also enables Alpha Precision to increase business from existing customers. "In the type of large organizations we target, the group you've been working with on one project is usually unaware of what another group is doing," Irwin explains. "This list enables us to reach inside the same organization and find new internal customers."



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In fact, within a few months of its Economic Gardening engagement, Alpha Precision was already generating additional sales, which caused the company to add 10 new jobs. Based on the uptick, Irwin looks for his company to double revenue to \$10 million by 2015.

With that in mind, Alpha Precision has invested in new equipment, including \$350,000 for a Ziess Prismo Navigator — a sophisticated high-speed machine that inspects parts and generates quality control reports. The machine, which can handle parts as large as 50 inches in diameter, enables Alpha Precision to dramatically expand its capabilities. “Just having it on the floor wows customers,” Irwin says, who expects to triple the amount of business Alpha Precision is doing for a Canadian contractor of Rolls-Royce’s aerospace business.

Being more targeted about business development is also improving workflow. In the past, Alpha Precision functioned as more of a service company, doing either just-in-time projects or one aspect of machining on a part. Now Alpha Precision is handling parts from start to finish and has long-term projects. “It used to be when a truck pulled up, we didn’t know what was going to be unloaded,” Irwin says. “Today we do.”

Despite his earlier reservations, Irwin highly recommends Economic Gardening. “I was amazed at the amount of data that the researchers were able to retrieve for us, and they were great to work with,” he says. “Economic Gardening is a powerful tool for second-stage companies to tap.”

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