

# ATECH-S.E.H. Metal Fabricators, Inc.

## Firm Benefits

- 17% increase in sales
- 20% reduction in delivery lead time
- 20% increase in quotation wins

## Marketing Assistance

### *Metal Fab Company Increases Sales*

**ATECH-S.E.H. Metal Fabricators, Inc.** (ATECH) is a contract metal fabricator specializing in the precision fabrication and manufacture of steel, aluminum, brass, and plastic production parts. Located in Buffalo NY, the company currently employs approximately 25 people. ATECH serves customers in a number of industries including medical equipment, telecommunication equipment, computer networking equipment, industrial controls and commercial products.



James Mackowiak, Lead Man, loads ATECH's new laser cutting machinery with material.

### Situation

David Munschauer, President, wanted to grow his business and customer base. ATECH was dependent on a relatively small, yet loyal customer base for most of its sales, and those businesses were experiencing greater pressure to reduce prices. Also, revenues had not been growing at the rate necessary to justify investments in new equipment.

The president sought to add new customers in order to utilize increased production capacity that resulted from implementation of lean manufacturing, and to concurrently reduce the risk of dependence on his existing customers. The primary concerns were how to compete more effectively and improve gross margins in the highly competitive sheet metal fabrication business. Mr. Munschauer believed that adding laser cutting capability to the company's already extensive equipment capabilities would differentiate ATECH enough to win more new customers and better serve the needs of existing customers. However, the concerns were whether purchasing a laser cutting machine was financially justifiable, and whether the new cutting capability would enable ATECH to capture and better retain customers.

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"The market analysis gave us the confidence to make the significant investment in a laser cutting machine. As a result ATECH has enhanced its metal fabrication capabilities, became more cost efficient, increased its capacity, and has increased its flexibility to make short notice design and production scheduling changes."

David Munschauer, President

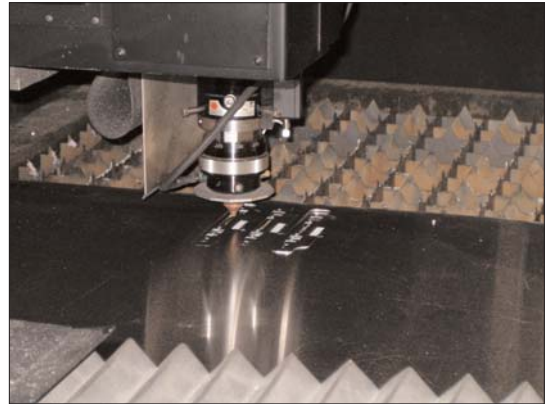
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**Our experience improves your business**

## Solution

Mr. Munschauer engaged an Insyte Consulting consultant with extensive marketing and sales experience to complete a tightly focused Sales and Marketing Assistance project to investigate and make recommendations regarding his concerns. The approach involved assessing the opportunities and issues related to offering laser cutting services and then develop specific and measurable recommendations on how to market all of ATECH's capabilities within a limited marketing budget.

Insyte determined the geographic radius from which ATECH could draw customers, and then analyzed the capabilities and strategies of competitors with laser cutting equipment within that radius. The second element of the project was to review ATECH's current marketing and sales efforts, and then create prioritized, cost effective actions for winning new customers.



ATECH's Cincinnati laser cutting fine detail small parts.

The review of the targeted geographic area indicated that several competitors had laser cutting equipment similar to what ATECH was considering for purchase. However, more in-depth analysis revealed that the competitors' laser cutting equipment was not being used in the same market segments that ATECH served, but instead was being utilized to fabricate internal proprietary products. Consequently, ATECH could be confident that the other fabricators were not an immediate threat in ATECH's targeted markets. Insyte and ATECH also analyzed potential new market segments and customers, and determined how market requirements would affect specifications on the laser cutting equipment. The analysis assured ATECH they had indeed specified the laser equipment correctly.

With confidence in laser capabilities solidified, the focus shifted to how to get more new business. Insyte investigated and analyzed customer buying criteria and the nature of the buying process as well as ATECH's capabilities, and based on the analysis, recommended changes in the company's marketing strategy. Historically ATECH relied on direct sales calls and word of mouth to attract customers. However, it was decided to develop a new marketing brochure to highlight the company's capabilities, commitment to quality, professionalism, and the diversity of industries served. Using a professional designer, a high impact brochure was developed.

ATECH phased in Insyte's recommendations over several months and positive results have begun to occur. Key performance indicators show a 15% to 20% increase in sales to both new and existing customers. Order lead times have been reduced by approximately 20%, resulting in converting more quotes to orders, as well as a noticeable increase in the number of requests for quotes. In addition, the win rate on quotes has increased by about 20%. It has become clear that the laser equipment purchase, plus the new marketing brochure are what customers reacted favorably to. ATECH has become both more price competitive and more profitable.

Since installation of the new laser cutting equipment and adoption of the sales brochure, ATECH continues to gain new customers, increase sales, and penetrate new marketplaces. In the spirit of continuous improvement, ATECH continues to implement advanced lean management principles and techniques on the shop floor and in its business.

"Our newly designed, professional marketing brochure has greatly enhanced our sales prospecting efforts, and has generated new opportunities. For existing customers, it showed ATECH's commitment to improving quality and manufacturing efficiencies, thereby reinforcing our continued relationship."

Tim Fitzgerald, Sales Manager