

Conax Buffalo Technologies, LLC

Firm Benefits

The facilitation and formulation of a strategic plan leading to a first year impact of:

- 27% increase in sales
- 4% reduction in manufacturing costs
- 250% increase in net margin before tax
- Foundation for continued growth and profitability
- A planning process that can be used by the company for future planning

Strategic Planning

Conax Buffalo Technologies, LLC, located in Buffalo NY, is a manufacturer of temperature sensors, sealing glands and other related products for a number of industrial market applications including pharmaceuticals, semi-conductors and power generation. Founded over fifty years ago, the company has grown to over \$12 million in annual sales. Manufacturing operations are conducted within a facility of approximately 60,000 square feet on a single shift basis. The company employs about 80 people including 35 unionized (IUE) production workers.



Chris Talebkah, a Sr Manufacturing Engineer at Conax Buffalo Technologies LLC, joins precise parts on a laser welding machine.

Situation

Even though Conax Buffalo Technologies, LLC had been maintaining steady growth, the ownership desired to accelerate this rate over the next few years. The company asked Insyte Consulting to facilitate a strategic planning process that would serve as the basis for driving the desired level of sales and profitability growth.

Solution

Insyte Consulting was contracted by Conax Buffalo Technologies to work on a strategic planning project. The objective was to establish a plan for growth and profitably and bring strategic focus, alignment and a formal implementation process to the company. The overall corporate strategy was to be the foundation on which a set of aligned and detailed marketing, operating and financial plans could be formulated.

Utilizing a team approach the joint Insyte Consulting-Conax Buffalo Technologies team met in facilitated meetings. The three and one half hour meetings were held weekly over the eight week duration of the project.

During the team meetings, work focused on affirming the company's vision including mission, core values and an envisioned future. Corporate key performance measures

"The planning process has driven our company to think and perform more strategically as opposed to the reactionary approach that we had used in the past. At this point we can definitely say that we are a more market-driven organization that is well situated for sustained growth."

Tim Webster, Executive Vice President

were identified and strategic goals supported by objectives and action plans were developed, along with a process to execute, track and periodically update the strategic plan. A communication plan to inform employees of the strategic plan was also developed. In addition, a Strengths, Weaknesses, Opportunities & Threats (SWOT) and most valued customer analyses were completed.

Since the plan's completion the company has achieved exceptional results. Accelerated sales growth has been realized by placing increased focus on the markets mentioned in the first paragraph and new product development. This sales growth has also helped to offset some erosion experienced within several mature market segments. In addition, significant investment has been made in a new Okuma turning center to meet increased demand within the sealing gland line and a new pressure test cell that has enabled the company to begin producing higher pressure seals (i.e. 50,000 PSI). Finally, the company has also expanded its program for work force development to ensure that its employee base has the required skills to better support the business growth. The above improvements have had a dramatic impact on Conax Buffalo Technologies' profitability. Within the first year sales have increased by 27%, manufacturing costs have been reduced by 4% and net margin before tax has increased by nearly 250%. Continued sales and profitability growth is also being forecasted. The company has attributed the success to the timely completion of action items identified in the plan and the discipline that has been required of all key functional areas. Recently, the management staff has updated the plan with minimal outside facilitation, which is also recognized as a benefit of the initial planning process.