

Celebrating Small Business Achievement

Eight state firms honored with Small Business Success Stories Awards

The richness and variety of small business success stories in Wisconsin is dazzling. From small aircraft kits to food ingredients, and from software for schools to furniture for sportsmen, there is no end to the creativity and innovation of our state's business owners.

For the second year, *Corporate Report Wisconsin* magazine gave the state's small businesses a chance to get their stories heard and their accomplishments recognized with the Small Business Success Stories Awards.

We know that running a small business takes a lot of time and hard work, and there's not often a lot of thought given to promotion or publicity. That's why an awards recognition program like this can be a big boost to getting a company noticed.

We once again made the nomination process open to both the companies themselves and to anyone who knew a successful small company. Thanks go out to all those who sent in nominations. The stories came in from every corner of the state, and to pick the winners, we are

grateful for the help of some senior faculty at the UW-Oshkosh College of Business and an Associated Bank vice president (see box pg. 36).

We also want to thank Associated Bank for sponsoring the awards, and UW-Oshkosh College of Business for co-sponsoring them. The college will include the Small Business Success Stories Awards in their fifth annual fall business symposium. This year's theme is innovation, and while one of our eight winners got special recognition for it, all the finalists exemplified innovation to a great degree. They will all be invited to an awards banquet at UW-Oshkosh October 18 to share their stories at the innovation symposium.

Now it's time to recognize these successful small businesses and tell their success stories. In each case, one aspect of a company's success, such as specialization or niche development, was singled out, but there were always many factors contributing to the overall success. Congratulations to all the winners. Keep up the good work. —Paul Zukowski, editor



Ron Pribyl and Tom Skrtic, co-owners

Niche Expansion

JERRY LUTERMAN

Accu Tech serves world market from Eau Claire

By Leah Call

As manufacturers struggle to find their place in the global market, one Eau Claire-based niche firm boasts that about 85% of its sales are to customers outside the U.S.

Accu Tech Plastics Inc. took shape in 1997 and has grown to become a leading supplier of specialized types of plastic sheeting and films that are used for component packaging in the assembly of electronic and automotive products.

Soon after opening its doors, ATP saw its competitors move production to China to take advantage of cheap labor. But ATP founders

and co-owners Ron Pribyl, Jim Harvey and Tom Skrtic found a way to build a successful company right here in Wisconsin.

Through the development of automation and a focus on offering more choices to its customers, ATP was able to remain competitive and keep production on U.S. soil. Today ATP is the only company in the world to offer 13 plastic film types to the electronics industry and also provide film cut to customer specifications. The films have different properties and are used to make reels of "carrier tape" by Accu Tech customers. These

carrier tapes hold hundreds of small electronic components and deliver them to machines that assemble electronic products such as computers.

In 2005 ATP acquired a company that makes the carrier tapes, so it now offers both bulk plastic film stocks as well as finished reels of carrier tape, rounding out the component packaging options available to its customers.

Because of its innovation, ATP yearly sales have gone from \$3 million in 2003 to \$4.8 million in 2005. It employs 21 at its 20,000-sq.-ft. facility in Eau Claire and has sales offices in Korea and Singapore.

"We continue to design and build technology that allows us to keep our labor content small. Instead of having a lot of labor in our products, we have skilled employees that can do a lot more than just run production equipment," said Pribyl. "With the technology we have and the type of employees we have, we are able to be successful."

ATP provides more than just a quality product. It listens to its customers and adjusts its products and services to meet customers' needs.

"We try to develop a very good relationship with our customers. It's a long-term partnership, not just a one-order type deal. We offer a good product, good service and we work with them to come up with ideas and products to save some money for both companies, so we can both continue to prosper," said Pribyl.

ATP continues to prosper and add new products. And this successful small business plans to stay in Eau Claire.

ARI moves parts catalog business to Internet

By Laurie Arendt

The manufacturing sector has taken hard knocks during recent decades, and equally troubling is the fallout to those who serve manufacturers.

Milwaukee-based ARI Network Services understands this all too well. Its primary market is manufacturing, and about five years ago the company had to think creatively in order to weather the downturn in that sector.

ARI Network Services provides electronic parts catalogs and related technology and services to dealers in the manufactured equipment markets. The company currently supplies about 83 parts catalogs for approximately 70 equipment manufacturers in the United States and Europe.

But about five years ago, ARI's long-term viability seemed in jeopardy.

"These days, people use the word 'proactive' as if it were, in itself, always a good thing; being 'reactive' is viewed as being 'backward' or 'ineffective' almost by definition," explained ARI Chairman of the Board, President and CEO Brian Dearing. "ARI made its transitions in the past — and plans to make its transitions



Brian Dearing, ARI chairman, CEO and president in the future with a combination of reactive and proactive measures."

This combination has helped ARI navigate a series of issues that may have challenged its leaders, but ultimately made the company stronger and better with each passing year.

ARI ended up reducing its workforce by nearly one-third. In 2001, the publicly held company's stock was de-listed from NASDAQ for falling below the minimum bid price. It is still traded on the over-the-counter bulletin board, and ARI has sought out "bargain" acquisitions for stock and debt, ultimately acquiring six companies to date.

ARI also refocused its primary efforts on

Overcoming Adversity

electronic delivery of information instead of more traditional means. E-catalogs quickly became the company's main product. Through all the adversity, the company evolved and became stronger and now posts an annual net income of nearly \$3 million.

"We've asked our customers why they bought from us," said Dearing. "The answer — at least for our flagship product — is that we provide the 'fastest way to look up parts.' So at root, we are giving our customers a product that works and does what they need."

SBSS Judges

Corporate Report Wisconsin magazine thanks the following people for joining Editor Paul Zukowski in judging the 2006 nominations for the Small Business Success Stories Awards, and their two organizations for sponsoring the awards.

From the UW-Oshkosh College of Business:

J. Ben Arbaugh, Ph.D., professor, Management and Human Resources
E. Alan Hartman, Dean
C. Burk Tower, D.B.A., professor, Management and Entrepreneurship

From Associated Bank:

Joseph W. Fikejs, VP Business Banking, SBA Program Manager



Ronald Detjen, president, ImproMed Inc.

The Fox River Valley is a long way from Silicon Valley, but software can be written wherever people want to write it, including Oshkosh. That's where ImproMed Inc. has grown to become one of the nation's leading providers of management software for veterinary practices, with annual sales of more than \$8 million.

President Ronald Detjen said the company's 80 employees are the key to ImproMed's success. "We really pay attention to the talents our employees have," he said.

The employees are encouraged to develop their talents and seek professional growth. "That way, we can advance and retain employees better," Detjen added.

Eleven of ImproMed's 80 employees have been with the company 17 years or more, and

the average tenure is six years. The dedicated workforce helps ImproMed continually improve its software and provide quality service to make sure that once clients have the software, they know how to run it.

ImproMed's roots go back to 1979 and a publicly traded Oshkosh company called AniMed Inc. that was a pioneer in veterinary management software. In 1989, Detjen came on board as a lead investor and spun ImproMed off, taking it private. (AniMed later went out of business.)

ImproMed's continuing mission has been to provide veterinarians with better software, education and support. By monitoring changes and trends in the veterinary industry and listening to client suggestions, ImproMed has adapted its products and solutions to address the total business and management needs

Employee talent is key to ImproMed's software

By MaryBeth Matzek

of veterinarians.

Detjen said ImproMed has a goal of becoming the predominant player in the veterinary software market. The company moved closer to that goal in July when an American Animal Hospital Association ranked ImproMed among the top veterinary practice management software companies.

"We compete with more than 40 software vendors and this is something we wouldn't have even qualified for in the 1980s," said Detjen, adding that ImproMed is the only vendor in its industry to be awarded the Microsoft Gold Certified Partner status.

"I am also proud that of the top four software companies out there, we are the only one who is independent. I believe that's one of the things that helps set us apart."

Cooking up sales at CulinArté Bonewerks

By MaryBeth Matzek

Chefs know that a great sauce begins with a great stock, but simmering bones for hours and reducing the liquid to a "glace" is not something cooks always have time or space for, especially on cruise ships. That's why a Green Bay company has cooked up its own market niche.

CulinArté Bonewerks was founded to produce pure and classical stock reductions so chefs could have the foundation ingredient of great sauces at their command. CulinArté's products are snapped up by large food retailers, distributors, national restaurant chains, cruise ships and airlines. For 2004, year-end gross revenues were \$4.4 million and in 2005 that number grew 42% to \$6.26 million. For the 2006 fiscal year, revenues are expected to top \$8 million.

Ed Driscoll, CulinArté's chief executive officer, goes on the road with an RV equipped with a fine kitchen to demonstrate the product to chefs at famous restaurants. "That's how we're growing," Driscoll said. "Chefs are seeing what we do — making classical reductions you won't find anywhere else, buying our



CulinArté Bonewerks staff members

products and then telling other chefs. It's been a great model of success for us."

Driscoll started CulinArté in Green Bay in 1998, determining that this would be the best location for direct access to the high-quality fish, veal, lamb, pork and beef bones it needs to make its product. Co-founder, President, and Corporate Chef Tom Sausen directs a production staff of 38 who work around the clock to cook batches of bones for 12 hours, then reduce the stock for another nine hours. With sales and office staff, CulinArté employs 50 and expects to add more.

At the same time the company increased

its sales, Driscoll said a dedication to efficiency and innovation helped the company cut operating expenses, allowing CulinArté to increase its gross profits from 43% of gross sales to 48%.

Looking to the future, Driscoll said CulinArté will add more equipment, including a new packaging machine.

"There's a lot of room for growth. As restaurants look to cut costs, one way they can do that is by cutting down on the amount of time chefs need to spend on a certain task, like making stocks," he said. "We can add that service to them at a reduced cost and at a higher quality."



Bill Mork, president, Marshfield Furniture

Furniture maker finds creative ways to compete

By Stephen Wolter

“Home furnishing manufacturing has been decimated by imports,” said Bill Mork, president and owner of Marshfield Furniture. “The fabric industry, equally so. It’s moving offshore as did our apparel industry.”

Marshfield Furniture, family-owned since its founding in 1944, met the challenge of foreign competition by creating innovative products, aiming at market niches, and honing a production system that manufactures made-to-order furniture in six working days. The company has invested millions of dollars in training, and also overhauled its 93-year-old manufacturing facility. At the same time it maintains a philosophy of keeping all of its manufacturing processes in Wisconsin.

“We bring in the raw lumber, we cut our frames, we assemble them and spring them in-house, we cut the fabric, we sew the fabric, we upholster and then we pack and ship,” Mork said.

Marshfield Furniture only has 110 employees — 88 in its 70,000-sq.-ft. plant and 22 sales people — yet still sells to about 1,000 home furnishing retailers across the country.

With more than 80 styles and 500 fabrics, the company manufactures 25,000 pieces of furniture annually. “Most of our accounts are not the large, big-box retailers. We deal more with specialty retailers,” Mork said, although some items from its popular Woodlands Collection can be found at a giant outdoors retailer like Cabela’s.

The Woodlands Collection — comfortable furniture covered in wildlife- and outdoors-themed fabric — is a prime example of the niche products that help define Marshfield Furniture. “It’s the area where we’ve gotten the most recognition,” Mork said.

He noted that a few years ago some retailers viewed this collection as a fad, but Marshfield Furniture interprets the line as a product that has evolved into a lifestyle choice for customers.

Among its innovative products is the patented First Convertible sofa/sleeper system. Retailers can convert an in-stock sofa into a sleeper in just 10 minutes. “The way that’s achieved is we build the entire springing system as a frame within a frame,” Mork said. “So what that does for a retailer is it allows him or her to

sell a sofa as a sofa, or a sofa sleeper, but not have to inventory two separate items.” It also means a customer can convert a sofa or love seat at any time after a purchase.

The company’s 2005 sales were \$12 million, up \$900,000 from the previous year. Mork said that staying successful in a niche category demands that small quantities of product are manufactured in an efficient, quick fashion. He credited the Marshfield Furniture workforce for their willingness to participate in a system that emphasizes cross-training.

“There are times someone will move from one department to another just so we can keep our factory in balance,” Mork said. “One of our fellows may be up in the fabric-cutting department in the morning and in the afternoon helping in the frame department, or might be putting decorative nail trim on in the upholstery department. Or he might be helping in shipping.

“I’ve often felt that if our entire plant burned down, and we didn’t lose any of our people, we could rebuild,” Mork said. “If we lost our people, but the plant’s intact, we’re going nowhere.”

Finding the right ingredients for success

By Leah Call

Start with a loyal customer base. Add a generous amount of research and development. Top with a team of dedicated employees. That’s the recipe for success at Main Street Ingredients in La Crosse.

Founded in 1989, Main Street formulates, manufactures and distributes powdered ingredients to the dairy, nutritional and food processing industries. These include “functional” ingredients, as they are called, such as wheat proteins that stabilize or provide a foundation for food products, or enhance appearance, flavor or texture, as well as dairy ingredients and thickeners. Main Street also provides ingredients for sports nutrition drinks.

Since 2003, Main Street nearly doubled its revenues, reaching \$76 million in 2005. The company has undergone two facility expansions and now operates from a 150,000-sq.-ft. facility. Main Street serves customers throughout the U.S. as well as in Canada, Central America, Europe, and the Far East.

Main Street co-owner and President Bill Schmitz said his company was able to grow by growing with its customers. Schmitz said



Main Street Ingredients execs (l to r): Dave Clark, founder and CEO; Aaron Macha, director of sales; Rudy Rott, VP of operations; and Bill Schmitz, president.

Main Street strives to stay six months to a year ahead of consumer food trends. Weekly and sometimes daily contact with customers along with extensive research and development contribute to overall success.

“Food on the store shelves changes rapidly and we need to be ahead of that curve, researching trends, studying the way consumers eat and supplying our customers with information,” said Schmitz.

Schmitz is one of four co-owners at Main Street Ingredients. Fellow owners Dave Clark (founder and CEO), Rudy Rott and Aaron Macha also play important roles on the Main Street team, along with its 115 employees, up from 64 employees in 2003.

A recent acquisition of Wichita, Kan.-based Hilton House Foods, maker of specialty products for the ice cream and bakery industry, will

result in an additional 20 to 30 new hires as Main Street moves Hilton House’s production to its La Crosse facility. Schmitz expects the transition to be complete by the end of October.

Schmitz said there is a challenge in finding and hiring the right people. “We want to put the right people on our bus, so to speak, and to do that it takes time.” But with the right mix of innovation, customer service and dedicated employees, Main Street Ingredients will continue to grow and succeed.

“Our vision is to keep building and growing on our solid foundation,” said Schmitz. “We are an opportunistic company. We’re out there looking for ways to innovate and be creative.”



Sonex Aircraft's Waix model sport plane

Sonex sells the dream of flight

From your garage to the wild blue yonder — that's the dream of flight that Sonex Aircraft LLC can make come true.

"The bread and butter of this business is selling erector sets for grownups," said co-owner and General Manager Jeremy Monnett, referring to the complete aircraft kits that the Oshkosh company offers.

When Monnett's father, John, started the business in 1997 at home, just the plans and some key component parts for the all-metal Sonex plane were sold. Over the years, more component parts were offered, including wing ribs, bulkheads, and a laser-cut aluminum aircraft skin kit. Then in 2001, a complete Sonex kit became available, followed by a Volkswagen engine conversion kit in 2002, and two new aircraft models in 2003 — a motor glider and a sportplane. Sales have been soaring, averaging 30%-a-year increases for the past

four years and reaching \$3.1 million in 2005.

Since Oshkosh is home to the Experimental Aircraft Association and the annual fly-in of home-built planes, it is an ideal headquarters for Sonex. Jeremy Monnett said the company also takes advantage of the area's manufacturing and metal-forging base to do as much manufacturing as possible locally.

"We have quite a few local suppliers," he said, "and almost all our production is done in the state of Wisconsin. We certainly pride ourselves on that. Supporting American jobs and keeping the tax base growing and manufacturing going in America is a big part of what we stand for."

Jeremy is a pilot and mechanical engineer who worked at Boeing for a couple of years before joining the family business near its beginning in 1998. His father, John, is also a pilot and aviation mechanic with many aircraft

By Paul Zukowski

designs to his credit, some of which are on display at the EAA AirVenture Museum. John was inducted into the EAA Homebuilder's Hall of Fame in 2001.

The Sonex and other aircraft the company sells are the brainchildren of employee Pete Buck, a mechanical engineer who worked at the Lockheed Martin "Skunkworks" on various projects including the F-117 Stealth Fighter.

With only eight employees, Sonex Aircraft runs lean, relying on the Internet and e-mail for sales and support, and outsourcing most of its manufacturing.

Jeremy sees a bright future for Sonex. The Volkswagen engine kit business, called the AeroVee and based on aftermarket parts developed for auto racing, may soon surpass aircraft sales, he feels. And recent changes in the licensing requirements for light-sport pilots are expected to increase sales.



Jeremy Monnett, general manager, Sonex Aircraft

"The light-sport rules are a simpler way for Joe-off-the-street to get his pilot's license" Jeremy said. "It is set up around simple airplanes like the Sonex meant to be flown only during the day. That takes out a lot of the instrument requirements and roughly halves the flight time and cost."

It's a dream come true for those who want to build and fly their own plane for a price comparable to a midrange automobile.



Skyward executives Jim King, CEO (left), and Scott Glinski, VP of sales and marketing

Skyward crafts software for school districts

By Laurie Arendt

Twenty-six years ago, Jim King had an idea. As founder and CEO of his new start-up company, he would use his background in information technology and programming to target a then-underserved market: school districts.

Now, if your child or grandchild attends a school in Wisconsin, there's more than a 75% chance that his or her school data is managed on Skyward software.

"We were one of the first companies to focus solely on the K-12 market," said Scott Glinski, vice president of Stevens Point-based Skyward Inc. "Other companies dabble in this market, but it was always our focus."

The company's stability and its ability to listen and respond to its customers' needs has made it a standout in the industry. It now employs 248 people and has offices in seven states. Skyward has posted an average annual sales increase of 38% during the last two years.

"We're very responsive and that drives our new products," said Glinski. "We also understand our customers very well. For example, we know that they prefer a single software product that can do a variety of things."

Skyward software has many components.

One helps teachers manage student grades. Other components focus on things like finance and human resources; still others help manage elements like food service. New programs continue to be developed to meet the changing and expanding needs of school districts.

"For example, when No Child Left Behind [the federal accountability law for education] was implemented, we created four new programs to help districts monitor test scores and comply with the act," said Glinski.

In 2004, the company received a grant of \$300,000 in Technology Zone credits. At the same time, Skyward committed \$1.4 million to upgrade and expand its Stevens Point facilities.

The company now supplies administrative software to more than 1,100 K-12 school districts in 14 states, including the largest school district in Utah with nearly 80,000 students.

"That really set the bar for our future," said Glinski.

Skyward is also proud to provide its products internationally to the American Embassy School in New Delhi, India.

"We're one instance where India is outsourcing to Wisconsin for its technology needs," noted Glinski.