

## BUSINESS PROBLEM

When a company narrows its focus to specialize on a particular kind of work that it does best, it is necessary to seek customers outside of its traditional channels and relationships, to reach a broader prospect pool of potential customers to fill its capacity to produce.

## SOLUTION

Jason Bannerman ran a Swiss CNC machining operation within, a family owned business in Brampton, Ontario, Canada. About a year ago, Bannerman was given the opportunity to buy that section of the business and set it up as an independent operation. He welcomed the opportunity and Xakt Komponenten came into being.

Swiss style machining uses a sliding head stock to produce long, slender parts. "Swiss style machining is typically not known for high precision machining," Bannerman says. "We produce tight-tolerance parts with our machines and that gives us a competitive advantage."

The MFG.com online marketplace is an important part of Xakt's sales efforts. "It gives us excellent exposure to new prospective customers, even if we don't get business from them right away," he says, pointing to the strong search engine positioning Xakt gets, even without having its own web site. "This is a strong positive aspect to our participation in MFG.com, it's worth a lot to us."

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*-Jason Bannerman  
President, Xakt Komponenten*

Xakt has been able to secure business from all over North America through MFG.com. "About 70% of the business comes from the states right now," he says. "The other 30% is from Canada. We'd like to increase the Canadian percentage. With the change in the exchange rate, our prospective sales targets are more focused within Canada at this time " But the beauty of the online exchange is that those options are open to you – there are requests for quotes from many different companies, in a wide range of industries and locations.

"We are very selective on what we choose to quote," Bannerman says. "I search by industry for the places we do best – aerospace, photonics, high reliability connectors. And I also look for work on exotic materials, especially materials like kovar and hastelloy. I especially like it when I find a request that nobody else has quoted because it's too difficult. Those are our best prospects."

Xakt started doing business early on with a company in Ottawa that had been sourcing kovar components in France. "They had been hoping for

years to find a more local supplier," Bannerman says. "Then we found each other, on MFG.com. We quoted the job and won the award, and we're still doing business with that company today." Bannerman visits the MFG.com site every day – "two or three times," he says. But he usually submits quotes on only 2 or 3 opportunities each month. "It's more than that this month we have some new equipment coming online" New business garnered through MFG.com regularly represents about 20 to 30% of the company's overall volume.

### ABOUT XAKT KOMPONENTS

Based in Brampton, Ontario, Canada (near Toronto), Xakt Komponenten specializes in tight tolerance, high precision Swiss style machining Industries served include aerospace, photonics, high reliability connectors, and others. The company has special strength is exotic materials including kovar and hastelloy. Xakt's 15 employees operate seven Swiss style machines, none of which is more than seven years old.

Xakt has even used MFG.com from the other side of the table – for sourcing (as the buyer). "We have some demand for larger turned components from regular customers and we didn't want to have to turn this work away so we found a couple of companies locally to do this work for us. Since we've really focused on the Swiss style machining, having these resources lets us better serve and keep these customers while we keep our focus on what we do best." Information on the site also helps Bannerman stay in tune with the market – where requests for quotes are coming from (industry, types of parts, locations), and how the competition is responding. "It also helps us rationalize and justify our pricing," Bannerman says.

### BENEFITS

- Marketing reach beyond the local region
- Strong Internet search positioning without even having their own web site
- Market intelligence to more effectively position their services and rationalize pricing
- Rich source of business to quote the jobs that make the best use of skills and capabilities