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Wrapping Up Innovation

Honors for big thinkers
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Companies to Watch

Putting the spotlight on three of the region's most impressive companies.

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A greener way to generate power. An easier avenue for acquiring magnets. A stronger focus on customer service. These are among the secrets for enjoying amazing growth in the midst of economic downturn—and for landing on Indiana's list of Companies to Watch.

Companies to Watch is a program of the Indiana Economic Development Corp., its Small Business Development Center network, Purdue University and the Edward Lowe Foundation. The program recognizes privately held companies of up to 150 employees and between \$750,000 and \$100 million in annual revenues. These companies “are past the startup stage and are entering into the period when they'll face the challenge of rapid, sustained growth,” says Jeff Heinzmann, state director of the SBDC network.

And the 41 Indiana companies honored in August already are enjoying rapid growth. Together they expect to record more than half a billion dollars in sales this year, and if they hit their projections that'll represent an increase over last year of more than \$100 million—yes, \$100 million-plus in growth shared by just 41 relatively small companies, in the midst of an economy that is anything but robust.

Companies like these, says Heinzmann, “are where most job growth activity comes from; that's why they're important. Because they're on the front of a more aggressive growth curve, they often are under the radar. They're adding jobs and growing steadily—and to some extent silently.”

The Companies to Watch program



“FEW COMPANIES IN THE U.S. ARE DOING WHAT WE'RE DOING,” says Dan Vukovich, president of Alliance LLC of Valparaiso.

is all about turning the spotlight on these impressive companies, not just for a dose of much-needed good news but to help them continue their success. “We're helping to get these people the resources they need to achieve growth and add jobs.”

Three companies from Northwest Indiana were among the 41 businesses honored this year. Read on to find out why they're Companies to Watch.

ALLIANCE LLC

You wouldn't believe how many things require magnets. Take your car, for example—it takes hundreds of magnets to make it function properly. “Everything that has a motor has a magnet in it,” says Dan Vukovich, president of Alliance

LLC of Valparaiso. That includes the windshield wipers, power windows and door locks, every gauge on the instrument panel, controls that are linked to the steering and the gas pedal, just to name a few.

Vukovich knows this because his company is in the magnet business. Alliance has customers all over the automotive business, and that's just the beginning. Magnets are in consumer electronics, from cameras to loudspeakers to computers. They're in smart bombs and missile defense systems. They're in a wide range of high-end health-care technologies. “In most of these applications, we have customers. We're spread out very evenly in all of the industries that use magnets.”

That diversification is a really good thing, especially when the economy slows. It has helped the company grow fairly continuously since its launch in 2001—Vukovich says sales doubled every year at first, and nowadays are growing 20 to 30 percent a year. They've reached about \$10 million.

One of the secrets of the company's success is its ability to make it easy for each customer to get exactly what it needs in a magnet product. For a lot of manufacturers of the many things that need magnets, that has not been easy to do, because most magnets these days are made in China and the acquisition process is incredibly tricky. “A U.S. customer who needs magnets has to talk to someone in China,” Vukovich says. “They will give you what you ask for, but if you ask them to do some research or to design something, you're out of luck.”

Alliance, on the other hand, has that expertise as well as lots of

contacts with overseas manufacturers, and thus can arrange a turnkey magnet purchase and ensure that the end result will be a quality magnet. For many clients, the help is welcome, and “few companies in the U.S. are doing what we’re doing.” The company’s growth is certainly something to watch, but be sure to keep an eye on its manufacturing plans, too. “Valparaiso was the capital of the magnet industry,” Vukovich says. At least it was before the industry picked up and moved primarily to China. The exodus, he says, was the result of economics, along with OSHA and EPA regulations. Ironically, government regulation may end up helping lure magnet manufacturing back to American soil. “We want to start moving some manufacturing here from China,” Vukovich says. It probably wouldn’t be for basic, low-end magnets, but for newer magnet products with higher-tech manufacturing processes. Why make magnets here again? Among other reasons, there’s pressure from the federal government to re-establish domestic magnet manufacturing because of the importance of magnets for sensitive purposes, especially defense-related manufacturing. “There are some industries that demand U.S. production, but it doesn’t exist here.”