

Success Story

Strategic Market Diversification

Paladin Industries, Inc.

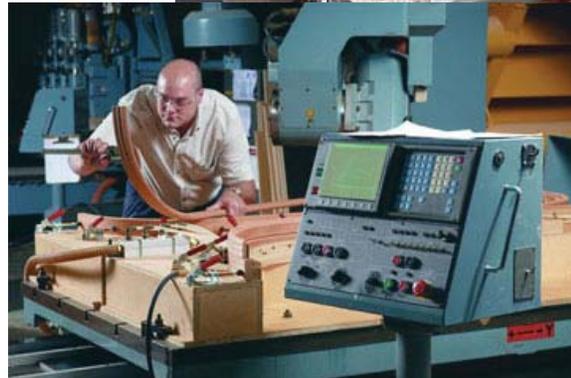
When Being “Busy” is the Problem.

Since its beginning, Paladin has always been committed to using the latest in technology to serve its customers.

In 1985, Larry Bell set up shop as a manufacturer of wood office furniture components, renting the back room of a warehouse in downtown Grand Rapids. Having no loading dock, Larry had his first CNC machine delivered through a window.

The Paladin story is one of steady growth, as Larry, his wife, Barbara, and their two sons, Thad and Craig, invested in technology and talent to serve customers in a diverse field of industries.

Today, Paladin has over 80,000 square feet of manufacturing area dedicated to panel component processing, assembly and packaging. We provide programming, tooling and production services to companies looking for a highly qualified and experienced outsourcing partner.



The Problem

Paladin Industries has always been “busy.” That was one of the company’s major issues when coming to MMTC. The company has a reputation for producing difficult parts that others said “can’t be done”. This led to serving a wide variety of customers, and producing an even wider variety of products. The challenge was determining what projects and customers were profitable to the business and what work was costing them money, or providing little return.

In addition to needing a firm grasp on the time and cost required to service those “high profit” projects, some of Paladin’s customers and industries served had matured throughout the past decades. Serving mature industries limited Paladin’s opportunities to sell value added services and led to commodity-based pricing on projects that reduced profit margins and bottom line.

The Solution

Paladin was looking for an expert to step in and help them develop the skills necessary to identify new markets and position the company for growth. They wanted to know who the “right” customer was for their company.

Paladin Industries chose MMTC because of their past history of successful projects, demonstrated expertise

in strategic market diversification programs and proven ability to help manufacturers think strategically about their business.

MMTC also offered the right program with the ability to customize and tailor programs to meet Paladin's specific needs. MMTC-West facilitators developed a custom strategic market diversification program to meet the needs of Paladin's unique circumstances.

The program was based on proven sales, marketing, and planning principles which used information on the customer, company objectives, company resources, and competitors to zero in on a core plan that differentiated Paladin from the rest of the industry in a global marketplace.

MMTC helped Paladin understand that market diversification is more than simply going out and looking for new orders to bid on. It's about carefully examining what a company does, what a company can do, and deciding how it can provide the products and services required to fill those orders.

Through the program, Paladin learned the necessary tools to diversify markets as well as how to implement business processes and improvement practices. With a combination of facilitated group workshops and one-on-one customized training, Paladin gained transferable skills that they were able to be using immediately.

Through the market diversification program, Paladin gained tools to:

- grow sales
- identify new markets for entry
- find new customers
- develop an understanding of the needs and requirements of customers in these markets
- develop strategies to serve those customers
- create processes to implement innovative solutions in the company
- establish goals and objectives that align with Paladin's distinctive competence
- bring new products to market

Working with MMTC-West facilitators, executives at Paladin were able to create a strategic plan for future growth of the company. This included an extensive visioning process that led to a better understanding of where the company wanted to go and what the company needed to look like several years from now.

As a result of the strategic market diversification program, Paladin is now able to identify those customer leads and projects that are THE best fit for their business, the future direction of the company, and that aligns with their profit goals.

The Bottom Line

- 2 New Employees in 2011
- 3 New Employees in 2012
- 2 New Customers
- 2 New Industries
- 10% increase in profit in 2011
- 5% increase in revenue in 2011
- 20% increase in profit in 2012
- 15% increase in revenue in 2012

