

MANUFACTURER KEEPS EYE ON INNOVATION - AND GETS RESULTS

The West Palm Beach, Fla., suburb of Delray Beach is a long way from Silicon Valley. Yet, there’s innovation in its water—literally, thanks to Lumitec, an engineering and design firm that specializes in conceptualizing, developing and manufacturing extreme-environment LED (light-emitting diode) lighting technology, primarily for the marine industry.

Because he started his career at the dawn of the digital age, developing products and software in the San Francisco Bay Area, John Kujawa, Lumitec’s founder and president, knows a burgeoning product when he sees one. That recognition led Kujawa to start the company in 2007.

“When LED technology started to generate a critical mass of excitement, people in my industry took note,” Kujawa says. “LED as a light source tends to have low energy consumption and, since you don’t have to replace the bulbs, you can design in such a way that [the light] can be completely sealed.”

Seizing opportunity

This versatile design made LEDs ideal for marine lighting at a time when most lighting companies and manufacturers were using incandescent bulbs.

“Many people in the industry were still building products with conventional technologies,” says Kujawa, who saw early on the benefits of LED technology in pioneer industries and began thinking about other applications.

Lack of innovation in the marine market created an opportunity. Kujawa modeled Lumitec after an innovative technology company instead of a traditional manufacturer. Like a technology company, for instance, Lumitec places a high premium on product development and design, employing six engineers for every one salesperson. This strategy has helped the company grow by nearly 1,000 percent over the last three years.

“[Other marine lighting companies] didn’t have the ability to move at a pace that would fully exploit the rapid evolution of LED,” says Kujawa, whose small size and start-up status gave him the flexibility his competitors lacked. “I had the freedom to make bold decisions and take risks I felt were worth taking.”

Managing size and operations

Achieving so much growth so quickly hasn’t been easy to manage. Like most manufacturers, Lumitec is challenged daily with fundamental questions related to size and scope of operations.

“When you’re a manufacturing company, the idea of scale is omnipresent, whether it’s how much equipment to bring on, how much inventory to invest in or how many people to hire,” Kujawa says. “Making the wrong decision either way—too much or too little—can be detrimental.”

Lumitec’s solution is a steadfast commitment to its strategic principles. Kujawa is confident in his company’s engineering and design capabilities, but he recognizes that many larger businesses have superior manufacturing capabilities. Instead of competing with them, he has made a conscious effort to remain a small- to mid-volume manufacturer that’s agile in the face of change, even going so far as to turn down high-volume purchase orders.

“Just because we make 10,000 of something doesn’t mean that 100,000 is 10 times better,” he says. “As soon as you start making 100,000 of something, somebody else can copy your design, find out who you’re selling to and make it for 30 percent cheaper. We can profitably make 1,000 pieces of a \$200 product, and the reason we can do that is that we have a very flexible, configurable manufacturing environment.”

Lumitec succeeds not on the basis of volume, but rather on the basis of service. Its smaller production runs allow the company to design custom products that meet customers’ unique specifications, which it can sell at higher prices.

“If you’re a small business and a manufacturer, it’s incumbent on you to stay clear on your vision of exactly what you are trying to build, for whom and in what quantities,” Kujawa says. “We’re not optimized for highly efficient, long-term, high-volume manufacturing. Rather, we want to be very nimble with respect to our product evolutions, very niche-oriented with respect to our product offerings, and customized with respect to the features we can offer our customers.”

Diversifying within scope

Kujawa’s approach is also evident in the company’s growth strategy, which offers a single solution to a broad base of customers. For example, while still specializing in marine lighting, Lumitec recently expanded to provide LED lighting for fire, emergency and military vessels.

“Somebody may look at our product and say, ‘You should make self-charging solar panels that will charge your lights,’ but that’s a whole other set of competencies,” Kujawa says. “If we take the same core expertise we have in circuit design, optic design and mechanical design and apply them to markets that have the same exact technical requirements, then we’ve diversified our sales base without diluting our technical capabilities.”

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