Operation Marketing Gurus

IPRO 346

Engine Flywheel
Market Research &
Business Strategy
Problem Statement

- DACO Incorporated is a precision machining company that specializes in flywheels and pulleys.
- A large percentage of their sales are to only a small number of companies.
- We are to research new products, and locate new customers based on their manufacturing capabilities.
Chart Illustrating our “Mining Process”
Goals

- We have identified three main goals
  - Research new products for existing customers
  - Find new customers for existing products
  - Develop new products for new customers
Opening Strategies (Pre-DACO Meeting)

- Potential new customers/marketing strategy Cat, Deere, Mercedes Benz Auto
  Tim, Dan, Jay, Jelena

- List of companies that make flywheels—see what else they make

- What products require precision machining?
  Zack, Kara, Mike, Eric, Hasan
Example of Initial Organization

- **Gyroscope**
  - Two types: angle gyros and rate gyros
  - Applications: Aviation, Maritime, Electronics

- **Military**
  - Tanks: wheels, sprockets and turret

- **Gears**
  - Anything big

- **Kinetics**
  - Use large flywheels to store kinetic energy to be used as electrical energy.
  - More efficient than chemical batteries

- **Railroad Wheels/Pulleys**
  - Who manufactures wheels?
  - How many?

- **Bushings**
  - Large # of companies that make bushings
  - Mostly small
Agenda for First Visit to DACO

- Familiarization – Operations: Plant, equipment, capability
- Contact/communication
- Steer us towards what they want us to do
- Marketing Info
  - Market share (for flywheels?)
  - Customers
  - Competition
  - Promotional activities
  - Ideas so far
  - How do they interact with customers/how are they selling?
    - Internet
    - Sales representative
    - Direct sales
Progress at Midterm

- We researched many products, and presented the results to DACO
- After more research, we narrowed down to three major product groups
  - Military Vehicles (Eric, Tim, Dan)
  - Clutch Plates (Jay, Hasan, Kara)
  - Flywheel Batteries (Zack, Mike, Jelena)
- Preliminary market research was completed on each possibility
Research Methodology

- Competency
- Ideas
- Distilled ideas (Battery, clutch, military)
  - Learn about industry
  - Suppliers
  - Potential
  - Barriers to entry
  - Sale technique
  - Build strategy
  - Develop tactics
Dropping Clutch Plates

- Uncertainty in the future of the market
- Large Barriers to Entry
- Machining Issues
Re-Examining Windmills

- At DACO’s insistence, we re-investigated the wind industry
  - Market Research
  - Capability
Wind Turbine

- Gear Box
- Yaw Drive
Windmill Research

- Determine if market worth can justify pursuing a product
- Learn about the parts of the windmill that DACO can produce
- Develop tactics for DACO’s entry into the market
Results

- **Clutch Plates**: contacted several companies.
  - Market seems very shaky and controlled by few.

- **Batteries**: developed contact with a few companies
  - Carbon fiber “wrench in the gears”

- **Military**: Sales techniques for government contracts
  - What kind of opportunities are there?
  - CCR – Central Contractor Registration
Obstacles

- Meeting with DACO being delayed several times
- Initial research was done with limited company information
- Product list was altered along the way
- Vast number of products that could be made
- Difficulty reducing down to a manageable number
- We found that many companies now use a method of winding carbon fiber to manufacture their flywheels for high speed applications.
- A lot of time and energy was spent in clutch plates before we found it wouldn't be a viable option
- No one on our team had any sort of marketing experience
Any Questions?

Special Thank You

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