



"You should take the opportunity to learn whenever it's offered. This whole experience has been an incredibly valuable gift to our company."

- Melissa Ford, CEO
Vektrex

Company Profile

Incorporated in 1986, Vektrex is a software and systems integration company supporting the test and measurement industry. The company is focused on advancing measurement technology and migrating measurements from hardware, such as test instruments and test tubes, into software. It has established key expertise with test instruments, instrument drivers, and software-based measurements.

It also provides enabling products and services that help clients migrate to software-based measurements.

Vektrex has advanced measurement technology across a variety of industries including defense, telecommunications, biomedical and semiconductor. In the span of 16 years, Vektrex-designed products, in use every day around the globe, have enabled companies to test products worth more than \$12 billion.



www.vektrex.com

MENTORING SERVICES CASE STUDIES

Vektrex

Testing the Waters

By all accounts, Vektrex was doing just fine. A software and systems integrator specializing in advanced testing and measurement technologies, the company had become a self-sustaining enterprise. In fact, it was experiencing a growth spurt that made the management team wonder if a change might be needed. They had successfully built the company as a service provider, but recently the business had become more product-oriented. As a result, the team wondered if the company would be even more successful if they adopted a product-based model.

An Opportunity to Learn

Melissa Ford, Vektrex CEO, was working with the San Diego Regional Technology Alliance (SDRTA) on a grant that would help Vektrex secure a defense contract. When she shared her thoughts about the future of the company with her contacts at the SDRTA, they immediately put her in touch with the Chairmen's RoundTable (CRT).

The CRT is a diverse group of seasoned executives who offer free strategic counsel to growing businesses. "I welcomed the call from the CRT because I'm always open to an opportunity to learn," said Ford. "But I have to admit that I was doubtful. The CRT members had impressive credentials, but I wondered how pertinent the advice would ultimately be."

The Grass is Always Greener

Ford's CRT mentors started by asking Vektrex probing questions about the business. "They asked me point blank why we wanted to become a product company, what the market size was, and who the competition would be. And when I said I needed financing to make the transformation, they asked me to exactly what I would do if given a million dollars. To my own surprise, I found myself without solid answers," said Ford. "I went in thinking that we had products to sell, the shift to a product company was inevitable."

"It was a valuable lesson," admitted Ford. "The grass always looks greener on the other side. We're a service company so transforming

Strengthening SAN DIEGO, One Company at a Time

About Chairmen's RoundTable

The Chairmen's RoundTable is a non-profit volunteer organization comprised of successful Chief Executive Officers with diverse industry backgrounds who provide businesses in San Diego County advice on how to manage and grow their businesses through a well-defined mentoring program. CRT members provide this service free of charge to qualified area businesses as a way of giving back to the community.

www.chairmensroundtable.com

into a product company sounded appealing to me. Perhaps growth as a product company would be easier or faster, but my CRT mentors helped me to recognize that I didn't know enough to make the call."

Slow and Steady Wins the Race

The CRT recommended that the company focus on bootstrapping its growth rather than finding funding. They also helped Vektrex answer some of the difficult questions they had posed. Vektrex had a great deal of competitive data, and the CRT mentors showed them new ways to look at the information and extract the insights needed to make decisions. They also pointed out how many of their competitors were also potential strategic partners, especially those that had sales and marketing expertise that Vektrex could tap into.

"We quickly saw that our products could be leveraged as a marketing vehicle, but our service business was where we generated the greatest value for our customers," said Ford. "We realized that we needed to continue to grow the business on the strong foundation we had built. Most of all, we learned that we just needed to be patient."

"In the end, I couldn't help but think, 'They didn't know anything about our company, so how could they be so right?' But this experience has proven that business concepts are consistent across industries and companies," Ford said. "One day I'd like to become a mentor and create this same experience for companies in need."

Key Challenges:	Recommendations:	Results:
<ul style="list-style-type: none"> • Service provider considering a product-based model • Company going through a growth spurt • Need to strengthen sales and marketing efforts 	<ul style="list-style-type: none"> • Focus on growing the business with the current model • Explore partnerships with other companies in your space • Develop a strong advisory board 	<ul style="list-style-type: none"> • Leveraging products as marketing vehicle, but understand service business remains core strength • Currently pursuing key strategic partnerships • Developed a true understanding of market size and competition • Creating advisory board