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Growth Arc

BLUE ARC

ENGINEERING LLC

Blue Arc creates its products - and success
- from ground up

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If you build it...

Blue Arc Engineering has a high success arc thanks to manufacturing versatility

Derek R. Smith

Pulse writer

Growth has come quickly for Blue Arc Engineering, a privately held local company that provides custom-designed material handling equipment for a variety of industries.

"If it's not already being manufactured, then we come up with a design or modify an existing design to solve the problem," said engineering manager Gene Oskay. "We design a piece of equipment to solve a specific problem. We may never build that particular piece again."

Blue Arc's products include custom conveyors, platforms and crossovers, pallet-handling systems, transfer systems, ergonomic equipment, conveyor turntables and other products and accessories. It serves industries ranging from automotive manufacturing to publishing to pharmaceuticals.

Oskay founded the company in March 2003 with Jason Effing, who now serves as the company's general manager.

Effing was working for Bastian Material Handling, a nationally known Indianapolis company that designs and builds material handling equipment, while Oskay was working for a supplier.

"We just felt there was a better way to be able to service the customers," said Effing, who has worked in the material-handling industry since graduating from Rose-Hulman Institute of Technology in 1995.

With that belief, the two pitched a business plan to Bastian president Bill Bastian.

Blue Arc then began as a two-man warehouse operation and maintains a close business relationship with Bastian to this day.

Eventually, Blue Arc moved to a location in Mt. Comfort. As business continued to grow, the firm looked for more space.

They found it in the Greenfield building that formerly housed M&M Restaurant Supply. A McDonald's supplier formerly known as Perlman-Rocque, M&M closed its Greenfield distribution center last year to make its supply chain more efficient.

Blue Arc moved into the 49,000-square-foot facility off New Road last December. It's about four times the size of its Mt. Comfort location.

"The (Mt. Comfort) facility was



Tom Russo / Daily Reporter

Sparks fly as Brent Dionne welds a project at Blue Arc Engineering's new plant in Greenfield. A privately held local business, Blue Arc specializes in custom designed engineering of material-handling equipment for various industries.

nice, but we really have a great team in place, and the potential to grow rapidly (in Greenfield) is there," said office manager Sonja Mahoney. "This is exactly what we needed at the perfect time."

Now Blue Arc has about 30,000 square feet of manufacturing space. About half the space is used for metal fabrication, welding, painting and machining, with the remainder used for assembly and testing.

"Seventy-five percent of our customers actually come into the facility (to see their product run)," Oskay said. "Everything is proven and tested before it goes out the door. That's why we needed a larger facility - because we didn't have the room to set up these systems in the old shop. Some of them get fairly large."

Blue Arc is celebrating the grand opening of its Greenfield facility this month. The company now has 21 employees, and its products have served many high-profile companies, such as Eli Lilly and



Tom Russo / Daily Reporter

Jason Effing (left), general manager of Blue Arc Engineering, confers with Greg Leonard on a project at the company's new location in Greenfield. Blue Arc outgrew its previous home in Mt. Comfort before moving.

Co. and sporting goods retailers Cabela's and Galyan's.

In 2007, Blue Arc had about \$2 million in revenues, Effing said.

"This year, we want to double

that," he said. "We're in aggressive growth mode."

Significantly helping that goal is a \$2 million contract for Pratt & Whitney's plant in Columbus, Ga.

- a project that Effing said "is going to keep us hoppin'."

A typical Blue Arc project ranges from \$5,000 to \$200,000. Projects take an average of four to six weeks once a design is approved.

"We're typically doing a smaller piece of a larger system," said Effing, 35.

For instance, the firm's Pratt & Whitney project is just a small slice of the overall \$35 million project.

Blue Arc has the ability to provide simple solutions to complicated engineering problems, Effing said. Sometimes Blue Arc is designing equipment that will be on the periphery of robots.

Getting timely turnarounds and maximizing a client's return-on-investment are crucial for Blue Arc in ensuring customer loyalty, Effing said.

"Ninety-five percent of our engineering is done in-house," Effing said, adding that Blue Arc has a sister company in Bangalore, India.

Blue Arc uses software that allows its employees to pan, zoom and rotate three-dimensional images of engineering designs.

"That's kind of our core competency, is taking these (customer) concepts and making these concepts into an actual design and actually being able to build it here on our floor," Effing said.

"People like our work," said Oskay, a Purdue alumnus. "We turn out a good product that pretty much sells itself."

Blue Arc has a stable of engineers who have the experience to modify an existing design for some projects. Hence the engineers' saying: "It's just like the last one we did, except it's different."

Rapid growth will undoubtedly bring its share of growing pains, but the Blue Arc managers know it's a good problem to have. Effing cites communication and hiring as keys for dealing with the growth.

"That's the whole trick," Oskay said. "It's kind of a cycle. You're always trying to balance things out as far as the employees and the equipment."

Mahoney is unabashedly optimistic about Blue Arc's future.

"I see a wide-open horizon for us," she said. "I don't see any limits for us at this point. It's only good - blue skies."