

Electronic Craftsmen

Electronic Craftsmen is a custom designer and manufacturer of specialty transformers, inductors, chokes, and reactors for use in power electronics applications.

Headquarters	73 Schaefer Street, Waterloo, Ontario, M5A 3X9
Year Established	1956
NAICS	335311 - Power, distribution and specialty transformers manufacturing, 334410 - Semiconductor and other electronic component manufacturing
Employees	55
Major Expansions	N/A
Exports	US, Mexico, Asia-Pacific
Parent Company	N/A
Other Locations	N/A

At a time when start-ups seem to dominate the business scene in Waterloo, Ontario, it is rare to see a company celebrated for its long history. Yet, Waterloo's Electronic Craftsmen, a custom designer and manufacturer of speciality transformers, inductors, chokes, and reactors for use in power electronics applications, recently celebrated its 60th anniversary. Electronic Craftsmen is a prime example of an established company that has successfully evolved to adjust to changing industry demands and trends.

Founded in 1956, Electronic Craftsmen created components to supply the rapidly growing radio and television industry at the time. The firm quickly outgrew its original location and moved to its current 23,000-square-foot facility in the late 1960s. Ownership remained the same until 2007, followed by a management buyout in 2009. Since the buyout, the business has been steadily growing, with sales for 2017 of \$7.6 million—a 45 percent increase over the last five years.

Electronic Craftsmen's customer makeup has changed significantly since the company's inception, and now includes original equipment manufacturers and tier-one and -two suppliers involved in a wide variety of industries: aerospace, communications, induction heating, transportation, lighting, charging, mining, and green technologies, to name a few. Customer needs are always changing within all of these industries, resulting in constant redesigning and development of new products. Aerospace represents the firm's largest client-base as 35 percent of sales originate from this industry. Electronic Craftsmen develops parts for various platforms within the aerospace and aviation industry, including the Boeing 737 and 787, Airbus A350XWB and A380, and Lockheed Martin F35, in addition to helicopters and business jets.

Because of the increasing need for innovation and the degree of specialization required for power

electronics, Electronic Craftsmen has evolved away from selling standard products for mass production. Blaine Gray, Vice President and Sales Manager, notes that he sees more value in creating highly specialized parts as opposed to standard parts seen as commodities in the industry. Gray sees a competitive advantage in working closely with customers to design end products that are perfectly suited to their needs and states that many customers are seeking out smaller suppliers like Electronic Craftsmen, preferring the more collaborative relationship found with businesses of this size. Accordingly, Electronic Craftsmen has established numerous long-term, mutually beneficial relationships with its customers.

E Craftsmen's Waterloo location has aided the firm in developing these strong relationships. Gray reports that their proximity to the Greater Toronto Area makes it convenient to remain in close contact with many of its customers and provide fast, comprehensive service throughout a contract's duration. Further, strong customer relationships have fostered Electronic Craftsmen's reputation as a top supplier, leading even more firms to seek out its services. This benefit has allowed Electronic Craftsmen to save on marketing expenses and invest more in product development.

Although many firms actively seek out Electronic Craftsmen through referral, Gray does recognize the need to utilize some marketing strategies and partnerships to attract new customers. Therefore, Electronic Craftsmen works with a local digital strategist to effectively run Electronic Craftsmen's website and social media platforms to increase organic search engine visibility. In addition, the company is a member of the Transformer Association and the Ontario Aerospace Council, which enables communication and collaboration with both customers and suppliers through member events and meetings, as well as inexpensive access to tradeshow.

Electronic Craftsmen tries to take advantage of government aid programs when it can, but the low volume, high mix nature of its business makes this difficult. On occasion, the company has used the Canadian Scientific Research and Experimental Development Tax Incentive Program (SR&ED) to help fund new product development. However, this program requires a substantial amount of research and development to be focused on a specific product or product group, and Electronic Craftsmen designs 250 unique new products annually. Of these 250 new designs, approximately 40 percent become prototype parts for customer use.

Given the vast number of new designs that the company sees, Electronic Craftsmen's operators are the key to the company's success. Electronic Craftsmen employs over 40 operators and quality control staff, all of whom work in the factory and are responsible for following detailed manufacturing documents to generate high-quality finished products. No specific education is necessary to excel at this task, but operators need great dexterity because many of the products are very small and must be constructed with extreme precision.

When touring the facility, it is clear that the operators are highly valued and appreciated; Gray praises his employees, commenting that they are extremely skilled and professional. Gray states that when he is recruiting employees, he is looking for people who can communicate clearly and effectively, as well as those who can fit well with Electronic Craftsmen's open and collaborative culture. Once an employee is hired, a great deal of hands-on training is undertaken to facilitate their development.

The experts at Electronic Craftsmen love a challenge, and they are dedicated to meeting customers' specific needs and providing the highest-quality products in the market. The company's database of well over 10,000 unique designs is a testament to this commitment to customization. Electronic Craftsmen's ability to adapt is the reason the firm has survived 60 years, and it will surely allow this thriving company to

successfully take on the next 60 as well.