

Economic Gardening Cultivates Growing Albuquerque Business

By Dr. Beverlee J. McClure, President and CEO, Association of Commerce and Industry

RIEtech Global had reached a transitional stage with its high-precision motion control products when the Albuquerque company was chosen in 2012 to participate in a pilot program designed to help successful companies expand their reach and refine their business models for the next stage of growth.



The pilot program, called Economic Gardening and sponsored by the Association of Commerce and Industry, PNM and Lovelace Health System, was created by Chris Gibbons in Littleton, Colorado. The Edward Lowe Foundation scaled the program to be applied nationally. The program takes an intensive, interventionist approach to economic development by helping second-stage growth companies enhance job and revenue growth. This is different than focusing on startups or recruiting outside businesses.

Fast Growth, Big Decisions

In 2009, Air Force veteran Rich Engstrom and his wife and business partner, Iona, acquired Sagebrush Technology. Sagebrush was a maker of pivoted support mechanisms called gimbals that allow cameras, lasers and other sensitive equipment to swivel in multiple directions. Gimbals have various uses, including in manned and unmanned surveillance and weapons systems.

The couple renamed the company RIEtech and applied Sagebrush's innovative image-stabilizing technology to a customized line of electro-optical and other mechanical products. It quickly secured manufacturing contracts with tech industry giants like Northrop Grumman and Raytheon.

By 2011, RIEtech was a global competitor in niche mechanical devices, and its revenue and work force had more than doubled. But the company found itself at a crossroads, and its principals wondered whether it was time to broaden the product line with more generic features that would appeal to a larger client base or whether RIEtech should keep doing what it was doing for more clients.

Outside Intervention

Economic Gardening works by pairing research specialists with the leaders of second-stage growth companies that haven't reached their full potential as job creators and revenue generators. These experts help company leaders identify obstacles to further growth and connect them with the tools and information that can help them clear those hurdles quickly. The relationship begins with an online conference and continues with ongoing discussions, all conducted in the virtual world through phone calls and Internet platforms that allow the private sharing of information and advice and eliminate the need for travel and time-consuming meetings.

The intervention with RIEtech lasted about three months. The team identified that the company's largest challenge involved marketing and marketing intelligence, Iona Engstrom said. "We learned we should continue to do what we're doing, continue what we do well, instead of branching out into different products." Having access to such expertise at no cost was a priceless gift, Engstrom said. "It was an impressive level of expertise — like having Fortune 500 company experts" as consultants.

ACI is using feedback and lessons learned to adjust the program to better meet the unique needs of more New Mexico businesses. For more information about Economic Gardening, visit www.edwardlowe.org. To learn more about ACI, go to www.aci-nm.org.

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