Meeting Today’s Challenges
Written by CIRAS Account Manager, Joe Papp

Engineering and Services and Products Company (ESAPCO) is growing, now under construction is a 51,000 square foot expansion for metal fabrication plus 100 new jobs will be added in the next twelve months. A $750,000 award from the Grow Iowa Values Financial Assistance Program (GIVFAP) was provided for construction of one and possibly two new manufacturing facilities and a showplace. ESAPCO estimates the capital investment for this project to be $3.25 million and ultimate job creation/retention of up to 120 people.

In the past five years ESAPCO has grown about 60% and expect to increase another 30 to 40% this current year. John Kennedy often said "a rising tide lifts all boats." But today the economic tide is not rising to the extent that ESAPCO is growing. What enables ESAPCO to enjoy this level of success? The answer “Do what the customer wants” per Dave Buchheit, VP Operations. Although all companies do this, ESAPCO takes it to another level in serving their diverse markets.

Traditionally companies look to define a target market, needed core competencies and then set a strategy to capture their desired market share. ESAPCO’s approach is more towards first aligning strategy that addresses today’s demands and be able to change that strategy tomorrow should the demand change. They are constantly adjusting to meet customer challenges, tougher competition and constant technological advances. “Do what the customer wants” tends to be the mission, rule and Buchheit’s answer to most questions.

Buchheit provides many examples illustrating a no barriers approach to doing what is needed as defined by the customer. His examples demonstrate that actions are effective but not necessarily always efficient. Buchheit’s response, “it’s looked at as a learning experience.” The immediate view may look inefficient but in a broader view it is efficient because the approach will develop the knowledge necessary to address similar issues in the future and to enhance employee skills and abilities. The examples show there are few rules and procedures. On a plaque in Buchheit’s office is the message “It’s kind of fun to do the impossible.” An employee gave the plaque to Buchheit.

The ESAPCO mode of operation may seem chaotic; it certainly is not the highly structured and process driven bureaucratic approach. ESAPCO’s strategy and structure addresses what’s needed today, “do what the customer wants.” Their response time is short, engineering and manufacturing are organized to meet this need. The close relation to customers also enables ESAPCO to anticipate customer needs and not just react to the next demand. Brown and Eisenhardt researched companies operating in this mode which led to their book, “Competing on the edge, Strategy as structured Chaos’ published by
Harvard Business School Press. Organizations they identified that operate in this operating mode included Intel, Microsoft, 3M, and Nike.

ESAPCO’s road to success is not typical. They are consistently adjusting to meet today’s dynamic markets and persistent technological advances. They are successful in large part because of their ability to address change and apply that ability to gain market share. The traditional approach to first defining desired markets and needed competency does not work for their dynamic situation.

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