

Local exporter gets sound advice from UC students

By JENNIFER RAABE

Aero International Inc., a Cincinnati-based exporter of aviation parts with 10 employees, has seen sales jump since 1989, due in part to implementing recommendations made by two MBA students from the University of Cincinnati.

Through the U.S. Small Business Administration's SBI (Small Business Institute) program, operating at approximately 500 colleges and universities nationwide including UC, Xavier University and Miami University, students provide consultation to small-business clients free of charge while gaining hands-on experience about business. The Aero International project was last year's winner in the regional SBI Case Competition, judged the best out of 1,200 cases that were eligible for entry.

"The program has been a very valuable resource," said Aero President John Warrington. "It has forced me to sit down and focus my thoughts so that I could convey to the student team my ideas and plans for developing the company's business."

Aero International does 95% of its business overseas, selling aircraft parts and overhauling equipment for customers, most of whom are in Europe and Africa. When Warrington purchased the company in 1984, Aero was at about a half million dollars in sales. While Warrington said he had a lot of good ideas about growth opportunities, he didn't have the time to devote to the vital process of long-range planning.

Warrington contacted the SBI last year and became one of 24 other local small businesses working with UC students.

Mike Garry, one of the two UC MBA students assigned to work with Aero who was later hired by the firm as vice president, said the company posed an interesting and complex case.

After a series of in-depth information-gathering meetings with Aero's staff, Garry and his partner mapped out a comprehensive strategic plan.

"We found that at least half of the company's business came from aircraft engine sales, to a great extent requiring John Warrington's time and expertise," said the 28-year-old Garry, adding that it's not uncommon for smaller companies to become over-reliant on one person.

The students recommended that Aero change its business mix by moving into the more profitable parts end of the aviation industry. As a result, Garry said, parts sales have doubled since last year, with engine sales now accounting for about one-fifth of the total business.



Mike Garry was one of two University of Cincinnati MBA students assigned to come up with a strategic plan for Aero International Inc.

Garry said they also recommended the company concentrate on growing within existing markets, adding sales personnel in that area, before jumping into new foreign ventures.

"Rule No. 1 is don't make promises you can't deliver on," he said. "Small companies without the cash flow and staff support of their larger competitors can get ahead of themselves. They often get into hot water by putting together a successful marketing program that draws in more customers than they are prepared to handle."

Aero has implemented other recommendations from the business plan. Recently, the company developed a computer network to handle its burgeoning information base that includes listings of more than 1,000 suppliers. With the new system in place, Aero can locate and ship parts from a supplier to an overseas customer faster and cheaper than the customer might get from the supplier's office in that country.

And Garry has written the company's first personnel handbook. "When benefits, policies and company philosophies aren't written up there's room for misinterpretation," he said.

While Warrington wouldn't reveal exact sales figures, he said sales for the past fiscal year had reached several million dollars.

"The outcome of our SBI team's work absolutely confirms my reasons for calling UC," said Warrington. "Companies willing to open up and explain their business operation will find it a valuable exercise." ■