

2009 Fastest-Growing Supplier: egrips® Technology (*asi/54596*)

Great inventions can often sell themselves. The principals behind egrrips® Technology (*asi/54596*), however, will certainly tell you different.

It wasn't enough that Fred Antonini hatched a unique idea early in the decade: a silicone non-slip strip that attached to cell phones and could adhere to most surfaces. After considerable effort ushering it from perception to reality – perfecting the design, finding a manufacturer, stabilizing the production process – the Fort Worth, TX-based supplier had a product that worked and people loved. Except it wasn't selling well in retail.

The rise of egrrips® Technology as the fastest-growing industry supplier can be traced to one common business strategy: branding.

"The problem that we ran into was that people did not know what the egrrips® brand was," says Matt Malone, one of three partners at the five-person company. "People didn't know what the material was. So when we initially went into retail, people saw it, but it was a hard sell."



Right product, right time: egrrips® Technology devised a perfectly-timed item for the boom in mobile technology.

Four years later, the rise of egrrips® Technology (formerly known as Flexible Innovations) as the fastest-growing industry supplier – skyrocketing from just \$200,000 in sales in 2006 to over \$4 million in 2008 – can be traced to one common business strategy: branding. And not just the branding of the egrrips® name, but branding other companies' products by becoming part of the ad specialty industry. "It's really been the gift to our company, being in the promotional product world," says Antonini, who worked as an electronics parts manufacturer before starting the company with Cheryl Marshall in 2003. "It's gotten our product out in the hands of millions of people. It's given it brand recognition. And we've been making money while we've done it."

It's a gift they were reluctant to accept initially. egrrips® Technology didn't regard itself as an ad specialty company when Samsung and the state of Texas contacted them with separate promotional ideas – placing a logoed card underneath the ubiquitous egrrips® strip. "We were like, 'Why would you want to do that?'" remembers founding partner Cheryl Marshall, echoing the sentiments of the company at the time. Outside suggestions, along with one substantial order and quick payment later, turned that skepticism into belief.

In a matter of a couple years, egrrips® Technology went from doing 20% of its sales in advertising to over 90%. And while the partners recognize trade shows and promotional products as major factors in generating awareness, it may have all been for naught had they decided to back down and remove their egrrips® logo from the strips, as some end-users wanted. Indeed, each of the 12 million to 15 million strips in use features the company's modest logo and name. "In order to capture what we created, it was essential to brand our products," Antonini says, "like 3M would brand a post-it, or Bic would brand a pen. We realized we wanted people to be asking for our product by name. And I think that has been the key to our success."

Shifting from retail to ad specialties, however, provided its own distinct set of challenges. A company that was used to standard products for retail had to shift gears and work with very specific custom orders, all the while managing explosive growth in orders and sales. "When we



The three partners who head up egrrips® Technology, the fastest-growing supplier in the industry right now (left to right): Matt Malone, Cheryl Marshall and Fred Antonini.

10 Fastest-Growing Suppliers

To calculate this year's fastest-growing list, we examined two years' worth of company revenue growth (from 2006 to 2007 and 2007 to 2008). To qualify, a supplier had to have at least \$200,000 in revenue in 2006 and \$1 million in revenue in 2008. Here are the top 10 fastest-growing suppliers in the market, along with their two-year percentage of growth.

1. eGrips Technology (*asi/54596*): 1700%
2. Dacasso (*asi/ 48125*): 548%
3. ETS Express (*asi/51197*): 151%
4. Logo Mats Inc. (*asi/67849*): 134%
5. In Your Face Apparel (*asi/62494*): 112%
6. Allen Co./Color Craft/CamelBak (*asi/34330*): 107%
7. Source Abroad Inc. (*asi/88242*): 105%
8. MediaTree (*asi/70303*): 100%
8. Admint & Zagabor (*asi/31516*): 100%
10. Custom HBC (*asi/47934*): 98%

really got into promotional products,” says Malone, whose do-it-all responsibilities include everything IT along with sales and occasional trade show duty, “that’s when we had to change how we were managing our business.”

That meant building computer systems and databases that could handle the growth and automate the process – essential for a company determined to remain lean with few employees. egrips® Technology remains, in Malone’s words, “a virtual manufacturer” that has licensed a publicly traded company to manufacture the material and local converters to produce its products. The company also remains steadfast in keeping production in the U.S., since most of the costs come from material and not labor.

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Fred Antonini, egrips® Technology (ASI/54596)

The set up has not been without difficulties – one supply change forced an eight-month stoppage to figure out why the strips were falling apart – but Marshall regards it as a necessity, particularly when the manufacturing equipment alone would cost \$1 million. “If you’re not diversified enough,” she says, “you just want to outsource, because you don’t have personnel headaches, HR headaches. My opinion, for our type of business, it’s just a beautiful model.”

It doesn’t mean that the egrips® Technology folks have life on easy street. Antonini has been known to go two days without sleep. “He wears out laptops like nobody you’ve ever seen,” Malone says. The company has made inroads globally in over 10 countries, constituting 15% of their business, but there’s a downside to that. Says Antonini: “Because we sell all around the world, you can always pick up the phone. There’s always somebody on the other end of the phone. That’s either the good part or the bad part.”

And even the fastest-growing supplier isn’t immune to the economy’s downturn. egrips® Technology’s number of orders has grown a bit this year, but order sizes in the first quarter are down 75% – a double-whammy of corporations freezing their marketing budgets and a collections clog-up as part of the industry’s snowball effect. Despite the swift change, the egrips® Technology partners are encouraged because their product is still in high demand. “We’re not saturated in the market,” Marshall says. “It’s still growing in the market. We still have people calling us saying ‘I saw this somewhere, what is it? Can I get it? What do I have to do?’ But they’re wanting lower quantities.”

Most importantly, the potential remains great with a growing product. The company is exploring a multitude of uses, including laptops, health care and even motorcycle road racing. It’s evaluating a possible move back into retail. In the promotions industry, egrips® Technology is focusing its usage on sweepstakes, coupons and loyalty programs – a McDonald’s customer could flash the egrips® non-slip strip on his or her phone and get a discount, for example.

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Cheryl Marshall, egrips® Technology (ASI/54596)

Malone is also spearheading a marketing push into social networking with Facebook, Twitter and a blog that will share tips on how best to sell and utilize the company’s product. And Marshall talks about the possibilities of embedding an RFID chip that could carry credit card info or more. “This is one chance that we have where the hardware is ahead of the software,” she says, noting that laptops and stores already carry the technology.

Now, egrips® Technology has almost reached that marketing nirvana, where its unique product – like Scotch tape, Kleenex or Velcro – is known by its brand name. “Our primary focus is to find ways to commercialize the material itself,” Malone says. With a little brand awareness, millions of people now know where to get a grip. – CJM