

Succeeding in the Export Market: It's All About Relationships

GT Equipment Technologies and the International Trade Resource Center Partnership a Success

MERRIMACK, NH—In 1994, Kedar Gupta and partner Jonathon Talbott started GT Equipment Technologies with a \$1,000 investment. Twelve years later, thanks in part to a long-term partnership with New Hampshire's International Trade Resource Center (ITRC), GT Equipment Technologies is one of the fastest growing companies in the state, with 85%–90% of its business overseas. China alone accounts for \$80 million worth of business; and GT does business in India, Taiwan, Norway, Sweden, France, Germany, Bulgaria, Saudi Arabia, South Korea and other countries around the globe.

The company includes two divisions: GT Crystal Technologies, which specializes in crystal growth equipment for the semiconductor and materials industry, and GT Solar Technologies, the division that is responsible for the company's skyrocketing success. GT Solar manufactures the equipment that is, in turn, used in the manufacture of photovoltaic (PV) cells. PV is a semiconductor technology that converts sunlight directly into electricity, while using no moving parts, consuming no fuel and creating no pollution. The basic PV cell typically produces only a small amount of power, so to produce more power, cells are interconnected to form modules, which can, in turn, be connected into arrays to generate even more power. These arrays are what are seen on rooftops of buildings that—like GT Equipment Technologies' Merrimack headquarters—use PV-generated electricity.

The Start of the Partnership

From the start, Gupta and Talbott focused on the export market, particularly for their PV technology. Gupta, the company's President and CEO, explains, "The U.S. is a good place to develop new products—but the world is more interested in buying those new products. Europe and the Far East have the vision to see the importance of solar."

The company turned to the staff of ITRC, the State agency charged with helping New Hampshire businesses break into international markets, for assistance. According to ITRC's Executive Director, Dawn Wivell, "We got involved very early in the company's development. Since then, Kedar and his staff have taken advantage of virtually all the services we offer, from our individualized strategic counseling to participating in our trade missions to the Netherlands and the United Kingdom in 2004, and to the Czech Republic and Ukraine in 2005. Their staff members have attended over 40 of our seminars on all areas of exporting. We've helped them develop proposals and prepare for incoming delegations—including understanding protocol—and we've provided market research and worked with them in the export finance area, including with the Ex-Im Bank."

Wivell continues, "Another aspect is that we've helped them build other relationships. We assisted them in locating lawyers in China, in identifying potential clients for nanotechnology in Japan, and in developing a contract with a partner in Cyprus. We brought a commercial specialist on government subsidies for solar energy from the Nordic region to them."

Gupta concurs: developing export markets is all about relationships. "It's very important to understand the culture of each country. In the U.S. selling is very direct: here's the product and the price. In building markets in other countries, you need to be culturally sensitive and develop the relationship with a company over time. It can be a slow process, but it's worth it because these companies tend to be very loyal and they don't change partners."

Gupta and his company have proved to be exceptional partners with ITRC, too. "GT is always available to mentor other companies. They've spoken innumerable times at seminars and conferences about exporting and about specific markets, such as China. Their expertise has been invaluable to us in our educational efforts and to the companies who benefit," Wivell comments.

Recognizing excellence within

Gupta gives much of the credit for the company's success to its staff, which numbers about 90, at the company's Merrimack headquarters and also includes representatives overseas. About 7–10% of the Merrimack staff are Phds, and the staff includes native speakers from many of the countries the company sells to.

Charlotte Redeschi, who's been with the company for 7 years, points to the foresight and leadership of Gupta and Talbott as the driving force behind the company's success.

“There's a great emphasis here on treating customers and employees right. It's so important to *listen* to customers to find out what they need.”

Gupta so trusted his staff that he literally turned the design of the company's new 56,000 sq. ft. state-of-the-art manufacturing facility over to the staff and architects. The result: the comfortable, light-filled building that they moved into in fall of 2003 functions beautifully, enabling them to more than double their manufacturing capacity.

While the company exports most of its products, most of its suppliers are from New England, according to Vice President of Operations, Jim Bosco. “In order to increase capacity, we often rely on local suppliers to assemble some of the components which go into the equipment we manufacture. It's a ripple effect: as we do well, so do other New Hampshire businesses.”

The company's success and Gupta's leadership have not gone unnoticed. In April 2005, the company was named Ex-Im Bank's Small Business Environmental Exporter of the Year. Four months later the company won three technical grants from the U.S.

Government totaling nearly \$1 million. Two of the grants were awarded under the Small Business Innovation Research Program (SBIR) and one grant under the Small Business Technology Transfer Program (STTR).

In January 2006, it was announced that the Angeleno Group, a Los Angeles-based private equity firm focused on high-growth investments in the energy sector, has invested in GT Equipment Technologies. The investment is part of the recently announced acquisition of a majority stake in GT, led by GFI Energy Ventures, in partnership with Angeleno Group.