

## Lee Blake Career Highlight Story

### Service Division Increases Revenues Nearly 100% for Adept Technology

One way to improve company profitability is to reduce expenses by automating. However, if the company is in the business of producing robots and sales are declining, another way to improve profitability may be to develop an “add-on” business. That is what VP and General Manager, Lee Blake did for Adept Technology, in Livermore California.

In 2003, Adept revenues had been declining for several years and the company had just experienced a restructuring that included a capital infusion and a new CEO. The CEO was looking for a business development person and contacted a recruiter who introduced Lee Blake to Adept Technology. Lee had already established a reputation as a technical business development manager who introduced new products, reinvigorated several product lines to higher profitability, and developed new revenue streams for existing technical manufacturing capabilities at Raychem Corporation and Newport Corporation, both in California. Adept Technology could benefit from the experience Lee brought with him.

Lee completed a personal pre-interview analysis of the company and found that they had an extensive installed base of light assembly and handling robots. A review of successful industrial equipment suppliers indicated that post-installation revenue (service) could contribute up to 70% of total revenues and raise overall margins if properly leveraged. Since new robot installations were flat or declining due to manufacturing moving offshore, Lee suggested that the best business development opportunity would be to leverage the installed base and create a “Service Division” in order to respond to changing market conditions and to revive revenue growth.

Lee joined the company as VP/GM of Service and recast the customer service cost-center activity into a profit based business unit. He created or restructured and trained the sales, marketing, operations, and technical functions to accommodate the new business unit. Within two years, the service division contributed close to two thirds of the total company profits and revenue grew by nearly 100 percent. Their new “Service Specific” products captured competitive maintenance and upgrade revenue and SALESFORCE.COM was implemented as a service CRM.

Automation is sometimes the answer to business development, but for Adept Technology to increase their revenues they needed something else—they needed the insight and visionary skill that Lee Blake offered. By creating a Service Division, Adept Technology was able to increase sales 90 percent to nearly \$23 million, increase margins, and produce higher corporate profits.