

Ice Auger

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One of our customers markets ice augers and other ice fishing related products. When we first met, they needed to retool their transmission housing for their power augers.

Three companies prior to Vista International had attempted to manufacture their transmissions in China and each had failed. With sample transmissions supplied by the customer, Vista began to apply its processes. Vista standardized the prints where there originally were none, improved on gearing and shaft designs applying Vista's transmission expertise, and submitted the prints to the customer for review.

After their print review and approval, the customer issued a purchase order for one-half of the tooling costs quoted. They wanted to proceed. (Their interest level was high since the tooling used to produce this transmission needed to be remade at a cost in excess of \$125,000 in the U.S.) Vista produced samples within 6 months from issuance and began production for the next year's transmissions – approximately 25,000 units, and has now produced over 70,000 units. Vista leveraged our process and transmission expertise and applied the latest technology in material and processing techniques, while still significantly reducing the customer's cost per unit. The additional benefits to our customer were the refinement of the transmission through improved quality, noise reduction and vibration. Cost for retooling was a fraction of what would have been spent in the U.S. A principal owner and operator said the use of Vista's transmissions enabled them to avoid customer returns for the first time in the fourteen-year history of field use of this equipment.

After our first successful annual run of the transmissions, we began the process of working with them to produce various other components which they were no longer able to procure competitively and sell at current market pricing levels.

Vista now produces 60% of their hand ice augers and blades (both previously produced in Sweden) and a complete electric ice auger, which includes the transmission, battery, charger and motor – all completely assembled. All the customer is required to do is open our boxes, assemble one item to the unit and repackage to their customer.

We are currently working with them to produce the balance of the product line they require for next season's usage which will include all power ice augers and blades, along with development of an engine for them and other customers – all produced in China.

Both principal owners have toured our facilities in China and they have visited several of our suppliers. They tell us that through our partnership, they have substantially increased their profitability. Many items they previously considered break-even are now profitable, which has enabled them to increase their market penetration and expand their customer base.

They have recommended us to their Swedish manufacturer who is now working with Vista to produce similar components for the European and Russian marketplace.

