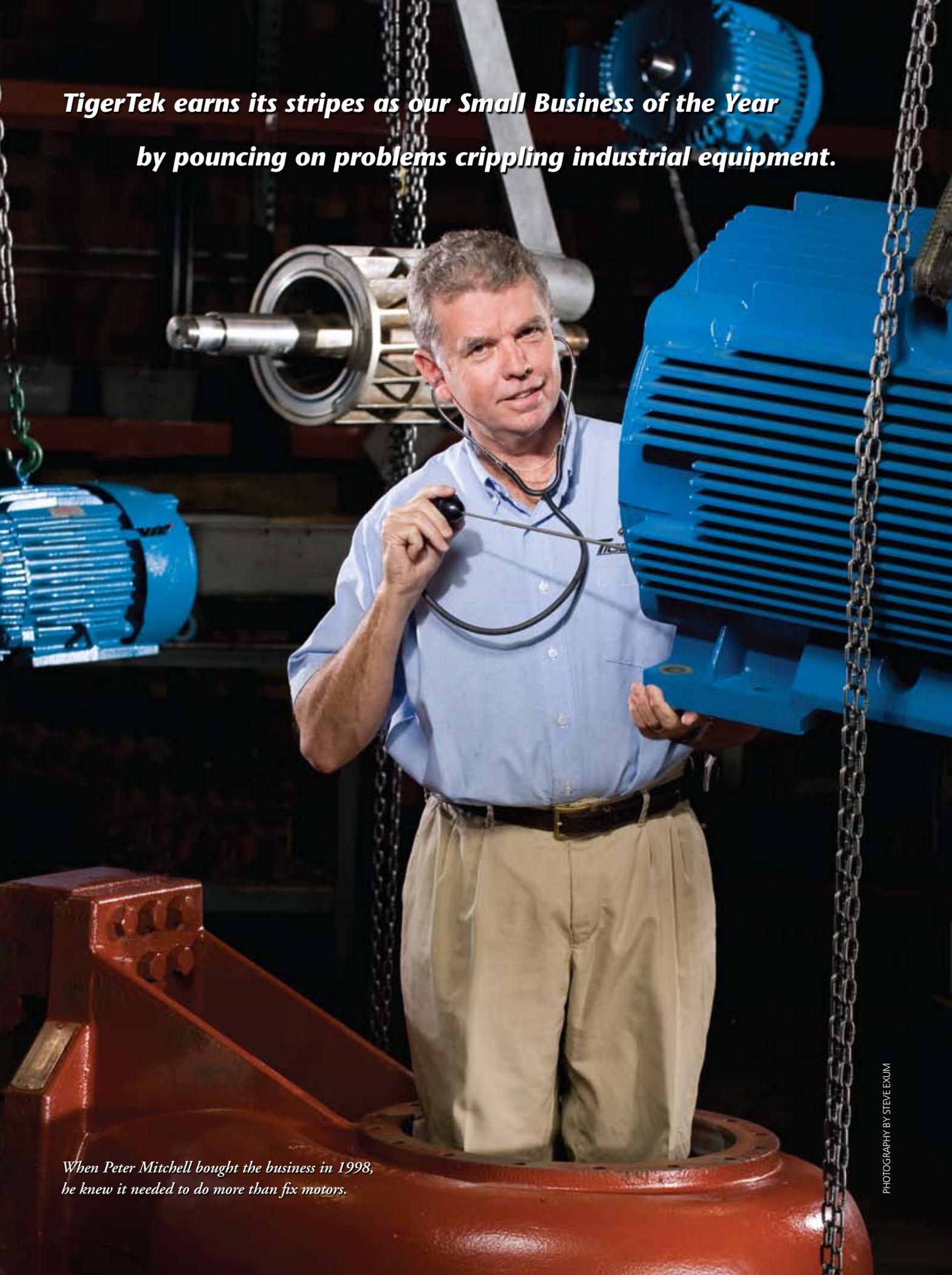


***TigerTek earns its stripes as our Small Business of the Year  
by pouncing on problems crippling industrial equipment.***



*When Peter Mitchell bought the business in 1998,  
he knew it needed to do more than fix motors.*

# THE FIX IS IN

By Arthur O. Murray

**E**ight o'clock Friday night, a good time to crack open a cold one and kick back — Miller time, ads would have you believe. But when you're making beer 24/7, it's no time to relax. Particularly on the night in 2003 when a pneumatic supply line ruptured at the Miller brewery in Eden and started spewing amber waves of grain. "We couldn't get the grain into the brew house," says Jim Coyle, the plant's purchasing manager, "so we couldn't brew beer."

As minutes ticked by and about 50 workers took an unscheduled break, frustrated managers pondered having to cancel several shifts at the 700-employee brewery. Hoping to avoid that, one called TigerTek Inc., about four miles across town. Soon after arriving, technicians measured the pipe, figured out how to fix it, repaired it and got production going again in just two hours. "They got us out of a tight spot," Coyle says. "They've done that plenty of times before and since then."

And not just for breweries. Think of TigerTek as an emergency responder and hospital for all kinds of industrial equipment. Its predecessor started out fixing broken motors, gearboxes and pumps for businesses in Rockingham County, but in the 10 years Peter Mitchell has owned the company, he has

given it international reach. Its capabilities now include repairs of advanced electronic and computer-driven equipment. Head count has swollen from eight to 44, and customers include the likes of Procter & Gamble and Goodyear Tire & Rubber. Local plants still count on TigerTek to keep their machines running. "We outsource a lot of repairs we used to do in house," says Ron Kearns, purchasing manager of Reidsville cigarette maker Commonwealth Brands. "TigerTek has become an extension of my department. There's not been anything we've sent to them that they couldn't handle. They work late at night and through the night. They understand that every minute counts."

Its ability to pounce on customer problems and prey on shifts in technology and markets makes TigerTek *BUSINESS NORTH CAROLINA'S* Small Business of the Year. Judging this year's competition, again sponsored by BB&T Corp., were Scott Daugherty, executive director of the N.C. Small Business and Technology Development Center in Raleigh; Missy Vatinet, whose Cary-based La Farm Bakery won last year; and Ben Kinney, *BNC's* publisher. "Small businesses, by their nature, have to be able to adapt to changing market conditions," Kinney says. "TigerTek anticipated the shift toward advanced manufacturing, with its reliance on complex machinery, and made itself indispensable."

**C**alling TigerTek is easy; finding it isn't. Since February, it has occupied a one-story vinyl and brick building a few miles west of Eden, down N.C. 135 after it forks from N.C. 770, past the soybean fields, mobile homes and satellite dishes near Stoneville, population 971. Mitchell's journey here covered many more miles. At 54, he speaks confidently but softly, his voice still carrying the British-tinged accent he acquired growing up in South Africa. Back then, his dad worried about keeping machinery running as general manager of a Carborundum Co. plant in Port Elizabeth that made grinding wheels and sandpaper for the automotive industry. Ford, General Motors and Goodyear have plants there, about 500 miles east of Cape Town. "It's like a little Detroit," he says.

But Mitchell thought he wanted something different. When he entered University of Cape Town, he planned to be a lawyer. "About halfway through, I made up my mind that I enjoyed the academics, but it was probably not something I wanted to do as a career choice." He completed a bachelor's of law degree in 1976 but never prac-

ticed. He took a job as marketing manager with an industrial-repair company in Johannesburg, but the political situation in South Africa made him uneasy. "It was at pretty much the height of the apartheid era. Nelson Mandela and others were still imprisoned. I guess I wanted to seek my fame and fortune somewhere else."

He worked three years in marketing for Carborundum in Sao Paulo, Brazil. Then he decided he needed an MBA. He picked UNC Chapel Hill's Kenan-Flagler Business School for its strong sales-and-marketing program. There he found his African roots weren't the only things that distinguished him. "Most of my colleagues in business school were looking to go to work on Wall Street or with a big multinational company. I wanted to find a small company. That's what turned me on — smaller companies. You can have an immediate impact. Your decisions can get implemented without having to go through committees."

He received his degree in 1984. "I found a little company in Greensboro that was doing industrial electronic repairs. I joined them



*Everyone in the TigerTek shop has at least an associate degree. Some have much more.*

when they were a pretty small company, and we grew it to being a really large company." Working mostly in sales and marketing, he rose to executive vice president, and by the time he left 14 years later, Electrical South Inc. was the nation's largest repair center for industrial electronics such as temperature controllers. Wanting his own company, he found what he was looking for in Eden — Oakley Motor Repair, started in 1983, when Rockingham County was rife with textile mills and other industrial plants. It repaired machinery from the mills.

Mitchell bought it for an undisclosed sum and kept the previous owner to run it. "I wanted to do two things. I wanted to take us outside Rockingham County, expand us geographically so that we weren't just totally trying to service one county. The second thing I wanted to do is expand the kinds of services we offered so that we could be a single source for our customers."

That has become the backbone of the business. "Most times, if there's an electric motor involved, there's going to be electronic controls driving it somewhere," he says. Motors driven by computers and other electronics are called servomotors. They're a staple of advanced manufacturing, used in industrial robots and other machinery. "The companies that use servomotors are also going to have hydraulics, and they're going to have machine-shop needs. I wanted to be a one-stop shop for manufacturing plants for whatever they wanted fixed. That's what we strategically set about to do."

It meant more employees, more equipment and more training. "At first, we were just doing a couple of servomotors, and struggling. But slowly, we learned how to do these things. The more you do, the more expert you become at them. It has taken us a lot of years and a lot of money in test equipment to be able to develop that expertise." As plants shut down in Rockingham County, Mitchell hired the best of the maintenance crews. He also recruited from outside the region. "The manager of our machine shop, we relocated him from Goldsboro." In many cases, fixing the machinery is only part of the repair. "All of these motors are

aligned so that a computer knows exactly where that motor is at all times. To set those alignments, you've just got to have a lot of technical knowledge, a lot of documentation, to know how to set the various brands. They're all set up and aligned differently, and it takes a lot of years to develop that knowledge."

Expanding the company's service area and offerings has helped buttress it against the losses of Tar Heel manufacturing jobs to China and other cheap-labor countries. Since 1998, the state has bled more than 266,000 manufacturing jobs, about a third of its total. It has been even worse in Rockingham County, which has lost more than 42%. "While we're still based in Rockingham County, we get a huge chunk of our business from outside of Rockingham County. When I bought the company, probably 80% to 90% of the business we had was textile-plant related. Last year, it was less than 5% of our revenue, so if we had not expanded outside Rockingham we would have been in real serious shape."

**T**he orange TigerTek logo on his short-sleeved, light-blue shirt makes Mitchell look more like a technician than proprietor as he strolls through the 25,000-square-foot shop.

The company name confuses people who think he attended Clemson University, which has a tiger mascot. Actually, he just wanted something that wouldn't limit the business. "When I worked with Electrical South, in the end we weren't an electrical business and we weren't just in the South. I wanted a name that could grow with me, that wouldn't restrict either the services or the geographic territory."

The shop's stark lighting reveals concrete floors lined with pallets, on top of which sit motors and equipment of many types. Up front is the electronics section, where two employees handle most of the repairs. They work on printed circuit boards or computer hard drives, checking resistors, capacitors and other parts. Everyone in the shop has at least an associate degree, Mitchell says. "A lot of them have way more than that."



## SMALL BUSINESS OF THE YEAR

### TIGERTEK INC.

**Headquarters:** Stoneville

**President:** Peter Mitchell

**Employees:** 44

**Founded:** 1983

**Projected 2008 revenue:** \$3.5 million

**Business:** Equipment repair

Servomotors are the fastest-growing sector of the business. Mitchell points at a blue one from a factory in Botswana, another from the Dell computer plant in Forsyth County. Each is tagged with its place of origin, date received and a cost estimate. Not all of TigerTek's work consists of emergencies like the brewery's grain pipe. Work order 32353 concerns a servomotor from a wind-turbine generator in California. It had arrived a few days before and undergone 3.9 hours of preliminary labor. "Every component will come out, bearings and all. We'll rebuild it, test it and send it back."

Mitchell says only two or three other places in the country can do what TigerTek does. It requires a motor shop, the right testing equipment and knowledge of electronics. "Once it's repaired, we've got to set all the alignments back and make sure that all the electronics are working properly on that motor so that when they plug it back into that machine, everything just takes off. That's complicated to do."

Traditional motors take different kinds of work. Replacing copper wiring cures many problems. Near the back of the building, six employees make custom motor parts in a machine shop. "If you need 10,000 of something, we're not a good decision for you. But if you need 50 to 100 of them, we can do it." On this day, the batch is even smaller — about 12 notched stainless-steel boxes. They are used at a local factory to put stripes in toothpaste.

The company gets its business two ways. Most of the work on old-line motors comes from the Piedmont, solicited by three sales representatives who visit factories and get to

know plant and maintenance managers. The company runs a fleet of seven trucks to pick up broken equipment and deliver it once it's fixed. Technicians go to factories for some repairs. For the servomotor work, the company contracts with about 20 national sales reps. "We're pretty big on the Internet, too. Servomotors are UPS-able, they're smaller — under 100 pounds generally — and they can get mailed to North Carolina just as easily as they can get mailed to Michigan or anywhere else."

The company tries to make routine repairs in about two weeks. That's called Level 3 service. Customers who need quicker repairs can opt for other service levels. For Level 2, TigerTek will move the equipment to the front of the line but do all repairs during the normal business day. Urgent cases are called Level 1: Technicians stay on them until they are fixed. They're the most expensive.

Mitchell is happy with the growth of the company and satisfied that he made a good decision 10 years ago when he began expanding its offerings, but he doesn't foresee more radical change. "We're just trying to execute our strategy rather than to add departments."

Revenue should top \$3.5 million this year, up 17% from last year. He believes the nation's economic slowdown could benefit his business, because tight credit and stagnant or falling sales will push more companies toward repairing equipment rather than replacing it. "If you've got a motor that costs about \$20,000 and we can fix it for about \$3,000 to \$5,000, that's the way you want to go. These plants really rely on people like us to keep things running. If they go down in the middle of the night Saturday, they've got to have people to bring in. They can't stay down until Monday morning." Neither can TigerTek. ■