

CANADIAN EXECUTIVE QUARTERLY

FALL 2009

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The Optimum team in front of its office in Calgary.

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EMPLOYEES: 9

PRODUCTS: 6,000

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OPTIMUM ENERGY PRODUCTS LTD.

Early capitalization on Internet leads to success for electrical-products distributor

BY CHRISTINA GALOOZIS

AT 34 YEARS OLD, GRANT MEADOWS WAS already tired of the corporate world. He had spent two years as North American sales manager of Westronic Systems Inc., a manufacturer of utility equipment in Calgary. And though no one in his family had ever branched out on his or her own, Meadows knew he was different.

“As an entrepreneur you can achieve better gains,” he says, “and you’re in control of your own destiny.”

So in 1993, he took hold of his own and founded Optimum Energy Products Ltd. (OEPL), a distributor of electrical test and measurement, gas-detector, and energy-management products. At first, the company was in partnership with Optimum Energy Management Inc., a two-year-old consulting firm that created energy-conservation recommendations for industrial clients. The firm was supposed to sell OEPL’s products through its recommendations, but the arrangement didn’t generate

enough sales. They parted ways in 1998, which gave Meadows more time to concentrate on the business’ future: the Internet.

Meadows began experimenting around 1996, after three years of running a traditional pound-the-street sales operation. He set up an E-commerce site, OptimumEnergy.com, and started receiving orders from faraway places like Japan. “In those days, that was a gift,” Meadows explains. “So I began to shift the focus of the business toward capitalizing on the Internet’s reach.”

Today, OEPL operates 15 Web-site stores—such as ElectricityMetering.com and MyFlukeStore.com—that market its 6,000 products. An Internet marketing consultant who, early on, sold Meadows on the idea of search-engine optimization set up the sites.

“Our customers are searching for a solution to their problem; they’re not looking for the name of our company,” he says. “So we set up more-relevant domain names to market the products. This strategy is more routine now, but back then it was cutting edge.”

The Internet consultant, who is now a full-time employee and part owner, also developed the company’s Predictor Model tool, which allows management to determine the market opportunity for a new Web site. For example, in 2004, the tool predicted almost one million monthly searches for personal gas-detection equipment. Meadows then secured international distribution rights for BW Technologies, and the new site (CanarySense.com) reached 90 percent of its predicted revenue potential within the first year.

Now OEPL has a warehouse in Calgary and rents space from a warehouse in Dallas, from which products are shipped to anywhere in the United States within a few days. American customers account for more than half of the company’s sales, while 10 percent comes from overseas.

This reach is important to suppliers like Christopher Dent of Dent Instruments, a Bend, Oregon-based manufacturer of data-logger meters that has been with OEPL for 15 years. “Grant was one of the first people to recognize the power of the Internet, and that’s been a big part of his success,” says Dent. “He also understands our products well enough to know when clients need them.”

This is another key ingredient to OEPL’s success: unlike many electrical-product

distributors, which Meadows calls “order-taking companies,” OEPL’s salespeople are actually trained to understand each product’s application.

This philosophy has gained Meadows five Distributor of the Year plaques from Dent Instruments. His 25-percent repeat business is also lauded by suppliers, and is achieved through innovative in-house software, called dWeb, which communicates with customers daily. With this the software, each customer is sent a follow-up e-mail after purchasing a product, which asks them to rate their purchase and suggests additional accessories. DWeb has been the main driver

of OEPL’s growth in the last five years, says Meadows.

“We have three times the average revenue-per-employee ratio in our industry because each salesperson can manage up to 300 inquiries,” he says. “We would need 10 times the amount of people if we didn’t have this software.”

This is a testament to his conservative management philosophy, an extension of his personality that is now allowing the company to weather this year’s recession.

And that’s a destiny he created. CEQ

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