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REDIMEC

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Argentina's Redimec Optimistic About International Expansion

STORY BY CHRISTINE KNAUER

hen Fabian Oyarbide, Redimec founder and CEO, discusses his avionics business, he talks of kindness and respect, perseverance and optimism. At his Redimec facilities in Tandil, Argentina, located 200 miles southwest of Buenos Aires, employees gather from time to time to celebrate a holiday or enjoy an asado, a popular Argentinean barbecue feast. The informal gatherings help create a sense of belonging and family, which is important to Oyarbide.

"As we deal with challenges on a day-by-day basis, we try to work in a comfortable place for everyone and attend to the needs of our employees," Oyarbide said. "We are proud of the people who work with us, and we want them to know that."

Oyarbide values his employees' ideas and suggestions immensely, stressing that it helps the company to identify trends and develop new avenues for growth. This optimistic, inclusive attitude has kept Oyarbide's business thriving, even through tough times, and led to international expansion.

"Optimism is encouraged in our working life, and we believe that it's necessary to fight against all odds, especially in a country as ours where the economy is not as stable as we would like," Oyarbide said. "We always try to be flexible and adapt, in a Darwinian style, to the different markets."

In 2010, Redimec expanded to include the U.S., offering its homegrown, optimistic approach to avionics sales and service on a greater international scale. Operating under the

name Redimec LLC, the company is registered as a broker with the U.S. State Department.

"By registering with the U.S. State Department, we can export, import or transfer military ITAR (International Treaty for Arms Regulations) after due authorization or non-ITAR equipment," Oyarbide said.

In addition to tapping the U.S. market, Redimec can sell avionics directly from the U.S. to other countries such as Paraguay, Uruguay, Chile, Peru, Colombia and Ecuador through their freight forwarder in Miami, with installation services provided in the respective countries.

Expanding Services

Even with shipping and customs fees, Redimec still has a competitive edge in price, according to Oyarbide. Redimec's large inventory of specialized test benches and equipment enables the service center to keep the cost of repairs low and provide fast turn times. The company offers sales and service for avionics and instruments; weather, surveillance and firing control radars; navigation systems; identification systems; and stabilized platforms.

"We have the ability to work on just about anything," Oyarbide said. "The aircraft we are involved with are so different, from Mirage French fighters to business and regional jets, to helicopters." WEBSITE: www.redimecllc.com

WHAT THEY DO:

Redimec sells, services and installs avionics equipment and systems.

FACILITIES:

10,800-square-foot main facility plus a 3,100-square-foot satellite workshop

EMPLOYEES: 27

FOUNDED: In 1994 by Fabian Oyarbide

AEA MEMBER SINCE: 2001



To reach more customers in more ways, Oyarbide keeps expanding Redimec's services, adding consulting, project management, design and engineering capabilities.

"We have an engineering department where we design and develop cockpit upgrades," Oyarbide said. "We do our own wire harnesses and all the required work to install and certify in the aircraft. We own many STCs with our local Airworthiness Authority that involve a wide range of modifications."

Working with military equipment for many years has given Redimec's technicians the necessary experience to handle complex technical issues. The company's certification projects range from simple VFR GPS installations to fully integrated multi-source navigation and instrument systems.

"We have done 3-D modeling for complex structural modifications in corporate and transport aircraft," Oyarbide said. "As a connected service, our team can prepare the necessary data to achieve approval, or the entire data package for our Airworthiness Authority to approve the modification, minimizing aircraft downtime. With a strategy of offering quicker retrofits we can convince our customers to upgrade their aircraft."

According to Oyarbide, Redimec received two Argentine certifications, "one qualifying the use of the Sandel AML-STC for installing its 4-ATI cockpit displays on S550-model Cessna Citation aircraft, and the other authorizing the installation of its 4-ATI, 3-ATI and SG102 AHRS on Cheyenne II aircraft.

"For some special projects, we develop integrated solutions, interfacing a state-of-the-art system with legacy equipment to lower the customer's costs and improve the performance of the systems. One case is the integration of fiber optic gyro sensors on vintage Argentine Air Force fighters. We developed the

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Redimec's workshop floor promotes a relaxed setting and self-monitored quality assurance.

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GPS and control solution and passed it through a complex environmental certification process. It flew like an angel."

Focusing on Growth

Oyarbide started Redimec in 1994, choosing its Tandil location "because it provides better quality of life than bigger cities." Plus, the attractive setting made it easy to recruit personnel and offered a pleasant place for customers to visit. With a fighter base and naval installations nearby, it was a strategic decision, too. Redimec could easily provide specialized services for the military's inertial and navigation systems.

In 2001, Redimec started the difficult transition from servicing military avionics systems to working on civilian equipment. During the transition, the repair station certified under ANAC, which follows FAA rules.

"As the number of customers kept increasing, we created a branch at El Palomar Airport near Buenos Aires City in 2005, focused on aircraft modifications, certification and installation kit manufacturing," Oyarbide said. "The

steady growth has allowed us to widen the range of services that can be offered to our customers, such as logistics for the provision of planes and helicopters spare parts, consumables and aircraft fluids."

Today, product sales drive much of Redimec's revenue, accounting for 40 percent of the business. Repairs bring in another 35 percent of the company's income, split 60/40 among military and civilian customers, respectively. Aircraft installations (mostly civilian) and research and development (mostly military) make up the remainder.

To gain a technical edge, Oyarbide recruits young professionals from local universities' research and development departments.

"We work with personnel with many years of experience, but our politic of equal opportunities for young people facilitates their integration to our working teams so that they are able to learn and gain experience with us," Oyarbide said. "Our successful performance has led our company to grow. Our highly qualified staff has opened the possibility to provide innovative solutions."

To increase sales, develop credit and meet airworthiness standards, Oyarbide courted avionics OEMs. In 2000, he began adding authorized dealership status for major manufacturers such as Garmin, Honeywell, Rockwell-Collins, L3 Communications, Freeflight, Sandel, Aspen, KGS Electronics, Mid-Continent Instruments, DAC International and more, a move that helped Redimec gain South American customers.

"In the same way, driven by demand, we started on the ground support equipment side of the business, advising customers who need to improve their testing capabilities," Oyarbide said. "We've become representatives and users of principal brands. Our job is not only with aircraft avionics; we also offer aircraft spare parts. We are Derco Aerospace and Helicopter Support Inc. exclusive representatives in our country."

In its continuing mission to improve quality, the company plans to certify ISO 9001:2008 by October 2011. In 2012, Redimec plans to certify under the Federal Aviation Administration.

"Today, we are recognized as a certified repairs workshop under Argentinean DNA code 1B-391 and Military Airworthiness Authority OMAD-002, and we have plans to certify under FAA," Oyarbide said. "Certifying ISO 9001:2008 will help support our design and devel-

opment areas for avionics installations, naval installations and integration of new systems, and it will mean a common language with our providers and customers regarding quality assurance."

Overcoming Challenges

Even with all its success, Redimec has faced and overcome considerable challenges, including complicated and expensive customs regulations.

"We started to deal with customs and custom regulations through a brute force approach, sending our own people to make the paperwork and pick up the material for further process and transportations," Oyarbide said. "We were worn out with the maze of regulations and the dynamic change of costs to import, so we decided to outsource this process. Now we have almost instant access to the changes, and we can plan in advance to avoid losses and offer better deals to our customers without paying extra."

Focusing on finding new markets and expanding its services has helped the company navigate a shaky economy for the last decade.

"Despite the country's recession of 2001, we slowed but did not stop by building up our civilian market and offering a wider base of product lines, services and cost-effective retrofits," Oyarbide said. "With a growing components list, arranging for quick turns and keeping convenient prices, we sailed effectively on stormy seas, and positioned ourselves as one of the leading companies in the sector."

Oyarbide believes working closely with customers is another key reason for Redimec's success.

"We take very seriously the aftermarket support and answer the bells any time a customer calls us," Oyarbide said. "We consider the most important value to be perseverance and believe that any objective is possible even though it seems not to be. We continue to make business decisions with long-term goals in mind. We let any new opportunity be. We care and nurture it, and even if it falls short of the expected results, it is like a tree branch that leads to new possibilities. We are always in the quest for new opportunities, while continuing to grow long-term and strong relationships with our current customers."

