


 GreaterHalifax
PARTNERSHIP

'Inner Beacon' Signals International Success

There is a simple approach for reaching unparalleled levels of international business success while living in Nova Scotia – and you do not have to search the Harvard Business Review to find it.

Believe, without doubting, in what you do and how you do it – and do it in a place you love.

In 1969, that approach is exactly what Dennis Covill, founder of Nautical Electronic Laboratories (Nautel), did. Passionate about science and engineering, Dennis believed in his soul that transistor technology could be used to build navigational transmitter beacons. It was a radical idea in the age of traditional tube technology.

Dennis put his belief into action in the basement of his home in a community he loved along the Atlantic Ocean – Hackett's Cove, NS (pop. 1,485) and "based on his skill-set and those around him, built highly engineered, extremely robust, very reliable, long life-cycle products," says Peter Conlon, Nautel's President and CEO.

In addition to nautical beacons, Nautel also manufactured "the box" that pushed signals up into the antennae that sends out AM and FM radio frequencies.

"When people bought our product, they knew we stood behind it. Our reputation in the industry is having the finest customer service in the world," says Peter. "Our people are highly technical and highly skilled. A lot of our engineers come from Dalhousie University and NSCC. The post-secondary education here is a richness we take advantage of."

Another part of the customer service advantage for Nautel is the Port of Halifax.

"We ship 'big iron' – so we need a port," says Peter. "Sometimes a transmitter is so large that it requires its own container. A transmitter is not some impulse buy – when you are paying \$250K, you are planning months in advance." Shipping by sea is the most cost-effective way for Nautel to ship its product to its customers. "But when the time frame is shorter, we have a great airport!"

The win-win combination of product niche and exceptional customer service gained a cult following. Today, there are over 12,000 transmitters operating in more than 177 countries.

It has grown from three engineers working in a basement to a 160 employees working in Hackett's Cove and another 40 out of the United States.

Back in 2007, however, three seemingly unrelated events happened that fundamentally changed their products, their place in international market, and their bottom and top lines.

First, a loyal Nautel customer told Peter their products, although ridiculously wonderful, were "boring". Then, not long after this comment, Peter saw a competitor's mockup for something a little fresher and he decided Nautel could out-design it.



"In 2007, state-of-the-art was some blinking lights, a dial and a few meters," says Peter. "When I gave the challenge, Nautel's engineers did an astounding job. They said, 'If we're going to redesign it, why don't we make it meaningful and highly useful?'"

Their prototype was a combination of control system and a user interface that was rich in information, looked beautiful and was highly functional in its presentation both on-site and remotely – and it could solve problems before they occurred.

Enter the third event: The recession. Nautel decided to take on the economic storm.

"Maritimers live storms and have this wonderful characteristic called resilience," says Peter. "At Nautel, we put on our slickers, battened down the hatches – and then we hoisted sail, ready to keel way over in the storm."

This combination of events and their contrarian calculation was a game changer.

Nautel made Hackett's Cove the world capital of the commercial broadcast radio transmitter market, tripling its core revenues in the past eight years.

Unparalleled levels of international business success – all from making one dream come true living in a small community along the Atlantic Ocean.