

Tulsa's dream takes flight

By D.R. STEWART World Staff Writer
9/6/99

Tim Clement, left, and Bill Graif, co-owners of Neosource Inc., show off a water jet cutting machine.

Below, John Frownfelter, production foreman at Neosource Inc., operates a CNC lathe.



BRANDI STAFFORD / Tulsa World

Machine shop carves out niche in aircraft parts

Ten years ago, just as the airline industry was going into a tailspin, three Tulsa businessmen established a small machine shop that found a worldwide customer base by overhauling small aircraft components.

Known today as Neosource Inc., 9422 E. 55th Place, the company in 1989 was a small machine shop in midtown owned by a man who had a dream. Ed Lins, the owner who died six years ago, spoke one day with a customer, Tim Clement, about turning the machine shop into an aerospace repair facility.

"Ed was real gregarious. Within a couple of minutes, you felt like his best friend," said Clement, president of Neosource.

"We became friends, and he starting talking about the opportunities in FAA (Federal Aviation Administration) repair stations. (Neosource Vice President) Bill (Graif) was already his partner, and he sort of gathered me, Bill and another acquaintance together to form a partnership."

During the early years after Neosource was awarded FAA certification as an aircraft component repair station, the company was not a pot of gold at the end of the rainbow. Aerospace firms

were not beating down their door, and Clement didn't quit his day job teaching fire protection at Tulsa Community College.

"Several of us didn't take salaries out of the company for several years," Clement said. "We kept at it through sheer determination. My TCC salary kept me going."

Other partners were brought in and faded away, but Lins, Clement and Graif persevered.

Not having much money in their travel budget, the partners worked the phones, calling airlines to pitch the cost savings of machining aircraft components rather than buying new. Their best and only customer in those early years was American Airlines.

In 1993, they got a call from Qantas Airlines, Australia's national carrier.

"We sent them a sample of a part that had been previously repaired," Clement said. "They had been buying new parts, and when we showed them they could be saving hundreds of thousands of dollars a year, it really piqued their interest. They started sending us purchase orders."

Qantas marked a turning point in the company's fortunes. More airline work followed, the company outgrew its Midtown quarters and moved east to a 15,000-square-foot plant on 55th Place. About 2,500 square feet of the plant is subleased to Tom Lucito's Automotive Machine Shop, which is a compatible business that runs a clean shop like Neosource's.

Graif said a commercial airliner is made up of thousands of small parts that must be periodically refurbished or repaired.

Large aerospace subcontractors and machine shops garner major projects, such as landing gears, propellers or turbines.

But many small aircraft parts, which the airlines don't have the



facilities or the expertise to repair, fall through the cracks. Small companies like Neosource can exploit their niche if they are aggressive, Graif said.

"Most all of our parts are air frame components,"

Graif said. "Most of them you can hold in the palm of your hand. That's the kind of thing we do best. And the airlines are best served economically when they let small shops like us attend to small parts.

"There's just too much detail for them to do it all themselves. And, we like to think we provide real good customer satisfaction."

Privately held, with nine full-time employees, nearly all of whom are experienced machinists, Neosource expects revenue of \$1 million this year.

"We have been growing about 20 percent a year," Clement said. "Our work has more to do with how much the airlines are flying. It doesn't matter who produces the planes or how much they produce.

"For our business, I don't see any reason we shouldn't continue to grow 20 percent to 30 percent a year. Our subcontractors and suppliers say they are busier than they've ever been. You would think that if anything was going to knock our economy in the dirt it would have been the economy in the Far East. If we get through the crisis in the Far East and the crisis in Russia, I don't see anything to stop us."

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