

## Developers, Engineers and Manufacturer of Sensor and Robotic Automation Technology for Fortune 1 Companies, Startups and Scale to Mass Production



**Justin Gregg**  
CEO, Principal Engineer  
Acroname Inc.

**CEOCFO: Mr. Gregg, what is the concept behind Acroname?**

**Mr. Gregg:** Acroname has been around for 20 years, but we still act as a very small startup. One of the overarching methodology behind the company has always been providing access to technology that normal people would not normally have access to. That goes all the way back to our founding, when the founder of our company decided that more people should have access to robotics parts and pieces, be it microcontrollers, motor drivers, or sensors. If you push that all the way into today, we do very much the same thing. We still provide access to high-end sensors and even moderate to low-end sensors that normally people would not have access to except for government research labs. What we do is provide access to technology not just in sensors, but also in manufacturing technology. One of our biggest engineering pushes is to develop new simple, microcontroller-based manufacturing test systems that normally are only available to some of the biggest companies in the world; the Fortune 1 companies of the world. We want to make those technologies available to companies as small as startups. They are trying to make innovative hardware and we want to allow them to scale that hardware into mass production without enormous capital investment that would normally be required if you were to buy the big brand name technology.

**CEOCFO: What is the key to doing that? How are you able to take technology that has a very high cost and bring it to smaller companies?**

**Mr. Gregg:** There are two methods to that. One is just making it easily available. That may sound simple, but it is almost revolutionary when it comes to test equipment and high-end sensors for robotic automation. If you would try to buy much of this equipment in either vein, you would have to go through different sales channels, without knowing how much it is going to cost you. We literally put it on our website, where you can give us a PO or pay with your credit card. Just simple availability is one way. The other way is that we provide white glove support. We do not care if you are Tier 1 company making cell phones or a startup of 3 people in their basement making toys for dogs. We provide engineering support for what we sell, and that could be as much as us flying 2 or 3 engineers out to the customer to help them integrate these products. Whether it be mass production based products or sensor based technologies, we want to see how our customers are using them, because we want to feed that back into our product development and to our third party developers that we resell. We want to make sure that they have the best access to technology and that the technology they are using is the right technology for them. If it isn't, we will develop the right technology for them.

**CEOCFO: Given that it seems to be such a closed industry, how do your potential clients find you or even know to look?**

**Mr. Gregg:** That is a great question, and one of the biggest ways that we find new customers is through our own personal networks. The world of mass production for consumer electronics is actually very small and the world for robotics automation systems, particularly in UGV, which are unmanned ground vehicles, and unmanned aerial vehicles is also surprisingly small. We have some very strong networks that allow us to grow as the industry mixes. That is, as people move from career-to-career, they take this knowledge of Acroname with them. That has been one of our most successful channels of expanding the knowledge about what Acroname provides to these various industries. Then there are other ways of doing that, where we are actually going out and are proactively finding research people, people in universities or people in government labs that are doing interesting things with this sort of technology. We engage them, understand

what they are doing and push them to not only utilize us as resellers of technology, but to tell us how we can help them engineer solutions.

**CEOCFO: *When someone comes to you, do they typically know what they need or do you have to help them figure out what they should be getting?***

**Mr. Gregg:** There are several classes of customers. There are some people that know exactly what they want and they just want to put their credit card into a website and have it shipped to them as soon as possible. Those customers are great. However, many times, we do not get the feedback, and we do not get the engineering engagement with those customers. The other classes of customers are people who come in thinking that they know what they need, so we will start a conversation telling them that we will give them what they think they need, but try to get them to talk about it. We will offer to send them a couple of engineers to help them integrate these products and make sure that they are getting the right value for what you are paying. The final class of people are the startups who are about to ship a product, but they did not anticipate the need for an upgraded sensor or they did not anticipate the need for a mass production line on the scale that they need, so they do not know what to do. That is where we provide a great deal of engineering input and we actually develop entire systems for many people in many cases. We are almost acting as a contract engineering house in some cases, to help develop solutions for our customers. Therefore, it spans the whole gamut of “we know everything and we just want the product”, to “we do not know what to do, so would you please help us”.

“Take a product from a prototype phase, into an engineering validation phase, and a process validation phase, the manufacturing test module series allows you to immediately scale very cheaply and very rapidly. Whereas your traditional test equipment might take you days to setup individual test stations, our manufacturing test modules allow you to scale entire lines in a single day or even in a single shift.” - Justin Gregg

**CEOCFO: *Are your customers typically ordering in bulk?***

**Mr. Gregg:** Everyone wants to get to volume production, which is the biggest thing, especially when it comes to our mass production test equipment. That is the whole point of our manufacturing test module series. For example, if you want to buy one or two of them, they will probably get you down the line and provide a test solution. However, their real value comes in their scale and their ability to enable scaling. If you take a product from a prototype phase, into an engineering validation phase, and a process validation phase, the manufacturing test module series allows you to immediately scale very cheaply and very rapidly. Whereas your traditional test equipment might take you days to setup individual test stations, our manufacturing test modules allow you to scale entire lines in a single day or even in a single shift. Therefore, the average startup who is not even thinking about scaling into mass production, they are worried about just trying to get parts onto a board. We come in and make them aware that they need to worry about a great deal of other things, and that we can help them and show them how to scale their products. That process usually starts with them buying one or two, and it gets scaled very rapidly into the thousands. The same thing goes for the high-end sensor technology where we work with these research labs or startups who may want to build, for example, automated ground vehicles, which is a very common application for many of our high-end sensor technologies. In that case, today they may be building two, doing a prototype, and proving to VCs or investors their concept and how they will get there. Then very rapidly they will need to scale that into the thousands of units, and we are there along every step of the way to make sure that not only do they have a secure source for those materials, but they know that the engineering behind those will work in the long run.

**CEOCFO: *What kind of inventory do you need to maintain?***

**Mr. Gregg:** Luckily we work very closely with many of our suppliers and we have a very strong operations team that is driven by our COO, Suzanne Kauffman, to be able to scale our own production and also scale our vendors’ production to support our customer’s needs. We work hand-in-hand with our customers to make sure that we are working off of their projections, and have a good schedule with them, so that we can deliver on time. A very big part of our business is the operations side, to make sure that we have most of the parts available to scale our own products. We work very diligently to make sure that we have projections into our distributors to make sure parts are available or we have them on our shelves to fill our product orders.

**CEOCFO: *Do you have items that you offer that do not have the traction with your customers that you would expect?***

**Mr. Gregg:** There is a great deal of technology that we offer that is on the cutting edge, so it is not so much that they are not taking advantage of it, but people are trying to figure out how to take advantage of it. When that happens, the gates open but all of the horses are gone, because that is the scaling problem. A good example would be some of the time-of-flight cameras, which have been around for sale for a decade, but the use cases were not there. However, that is

changing very rapidly right now, where there is a big push for UAVs or “drones”. The unmanned vehicle market is enormous, and as we see 3D time-of-flight camera technology come out, you will see these integrated into those drone systems to make them much more safe, much more reliable and most importantly: useful. Just flying a drone around and taking pictures is fun, but using these as tools requires a great deal more sensor technology than people are currently using and that is the part that people have not totally embraced, but they are starting to, and it is going to be amazing when we get there. We can also say the same thing about some of the manufacturing technology that has been produced recently. If you look at some of the manufacturing technology out there today, the products we all use every day are built with technology based in the 1980’s. They are still doing wire-wrap for it, and very antiquated control mechanisms and a bunch of relays. We do not use computers with relays anymore for very good reasons, yet that is how our manufacturing systems work. Therefore, we are pushing the next level of that and it is not so much that people are not embracing it, but that they are just realizing the capabilities and what this offers them, both from a cost perspective, and also a scalability and the ability to do a great deal more in their manufacturing stages. This means that they would be able to ramp their products faster, with less validation tests in their labs, and more work in the manufacturing lines themselves.

**CEOCFO: *Would you tell us about the corporate culture at Acroname? It is clear that you enjoy what you are doing? Does that hold true for the rest of the team?***

**Mr. Gregg:** Absolutely! Acroname is fun. We do not do this because we have to, we do this because we think that it is really interesting and we are very passionate about what we are doing. We are passionate about our products, and about our customers’ products. What really excites our engineering and sales team is see our products used to produce or be integrated into other people’s products. Then you see those in the field, you realize that you built something that helped to build that; it is really great. Even our job requisitions are fun. They are not the stodgy, big company, HR-approved job requisitions. We have people apply to work with us because the job post sounds like an awesome place to work. The company culture is something that is very exciting for many of our engineers and team members, and that is why we are here.

**CEOCFO: *What is next for Acroname?***

**Mr. Gregg:** We have been in a restart mode. I took over as CEO in July of 2014, so we are a year and a half into a restart where we bought out the previous founder and investors last December, and we started innovating on many new products, expanding our store offerings back into a great deal of newer technologies, and coming from the ground up again. We are focused on continuing that growth, both in personnel and in product lines and product offerings of our own products, and being able to service more customers. In the past we have had a few very large customers that have dominated our engineering resources, and now we are looking to expand that into not just those very large customers, but a great many smaller customers. We want to have interesting people using our products, because that is what keeps us going. We are actively scaling our engineering support with many of these smaller startup companies, as well as maintaining our engagement with our largest customers.

Interview conducted by: Lynn Fosse, Senior Editor, CEOCFO Magazine

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## **Acroname Inc.**

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