

## Avoiding Disruption

Phil Hauck, Lead, Economic Transformation/Disruption Signal Team

Northeast Wisconsin companies compete well nationally because of smarts and work ethic, but right now they risk “getting disrupted” by national competitors who better use new technologies to increase benefits to their customers. Why? Because we don’t know what the new technologies are, what they can do, and how to use them to benefit our customers!

Our **Economic Transformation Signals Team** is watching how companies avoid this *disruption* by more aggressive and more knowledgeable competitors. Surprisingly, access to these “new technologies” is just as good here in Green Bay as in Silicon Valley. Why? Because we have Titledown Tech, its on-premise Microsoft partner, and other cutting-edge technologists right here in Green Bay.

So, how to use them? **First, you have to know what’s available, such as 3D printing, augmented reality goggles, real-time analysis of new data.** What used to be very sophisticated no longer is. Publicly available “modules” of software can now be plugged in to create your targeted software solution.

**Second, knowing that, you have to think about how your *customer* could benefit if you *applied* the technology solution.** Consider this:

- **U.S. AutoForce** in Little Chute, a division of US Venture, is a national distributor of tires, undercar parts and lubricants. With 70,000 different tires available in America, how does a dealer or a repair shop find what it needs for a specific customer? Answer: The dealer turns to a cloud-based database of the 70,000 possibilities, and then to custom software that allows dealers to enter their parameters and find the possibilities that meet their needs.
- **Systems Control** in Iron Mountain offers another excellent use of virtual reality. This company, which makes control systems that involve lots of internal wiring, uses the goggles to display the wiring diagram and direct how the technician should move his hand to insert the wire in the right place. They did the programming themselves using available modules.

### A More Complete Story

Like many businesses, **BayTek**, the Pulaski-based company that began making game machines for entertainment centers in 1977, saw a sharp dip in orders in March and April of 2020. What they also saw, with the pandemic lockdowns, was the massive requirement for families to stay at home. Those “locked-in” families would still need entertainment, wouldn’t they? Maybe even the same entertainment they enjoy on the outside, like Skee-Ball.

Pat Scanlan, head of Development for BayTek, was charged with creating these new products. “We had to design it for in-home use, with as small a bill of materials as possible for an affordable retail price and a simple supply chain.” And they did it - with two price points. A lower price point, sold via BayTek’s e-commerce outlet, might eventually be moved to

Amazon. A more successful, more tech-y version, is sold at a higher price point through a home game dealer. “By August, they gave us follow-on orders for 400 devices,” Scanlan said. “We can do all the development in-house, from designing and assembling the control software to the sensors and other triggers that make the mechanical functions work. That’s why we could do it so fast.”

### **Past Successes**

BayTek is a small player in a huge industry, required to be a leading-edge innovator to survive against much larger players. That means integrating new technology the moment it becomes available. Right now they’re working on virtual reality games in which the player puts on the headset and completely enters the new world.

In the past, BayTek leaders have kept their eyes on new trends, incorporating many directly but also acquiring smaller innovators. But here’s the problem: A game entertainment center has to staff the counter to provide the prizes at the end of play, which means keeping an extensive prize inventory. BayTek developed its own self-operating prize dispenser, called Prize Hub, a machine that receives your ticket or card, totals your points, and then allows you to select prizes with different values until your total is reached. It eliminates the counter attendant, and now it’s allowed creation of a whole new market: “micro” family entertainment centers that don’t need staffing. The center can be a room adjacent to a convenience store, a supermarket, or any other retail outlet.

BayTek is not the only company doing this now, and the experience has fueled significant growth. More recently, to eliminate the prize inventory challenge, BayTek purchased a small company called Gamer Green that allows game players to enter the total number of points accumulated, along with an authorization code, into an app. The app allows winners to go online and order what they want, right up to bicycles and electronics. Players may keep accumulating points until they get enough for the prizes they want, which means a lot of repeat business for the entertainment center. And lots of revenue for BayTek.