

# Life after NASA: Shuttle suppliers chase new business

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Business is steady these days at Aero Industries Inc., a small metal-parts operation in Orlando. Once heavily dependent on NASA's space-shuttle program, the company now has a mix of new clients, in industries ranging from energy and aviation to health care.

Its survival is no accident: Aero started scoping out nonspace business half a decade ago, which has helped it avoid a plunge in sales as [NASA](#) phased out the shuttle program. The orbiter fleet's retirement is wiping out more than 9,000 jobs at Kennedy Space Center along with scores of small businesses throughout Brevard County, Fla. The program ended in July with the final flight of [Atlantis](#).

"Shortly after I bought (the business), I realized the shuttle would be coming to an end really soon," said Nancy Simmons, an entrepreneur who acquired Aero in 2004. "So we began to diversify. We got into many different industries: energy, medicine, electronics, those sorts of things. We still sell to aerospace, but a lot of what we had here has moved to Alabama and Texas. We saw that coming."

From metal fabricators and security contractors to car-repair shops, many former shuttle vendors are now scrambling to fill the void left by the program's demise. Their efforts have had mixed results, local business officials say.

"I think we have had more survivors than closures so far," said Marcia Gaedcke, president of the Titusville Area Chamber of Commerce.

"There are a lot of success stories out there of people who have modified their businesses to accommodate the loss of the shuttle. But the fact is, we're not at all through this thing yet. We expect there will be much more impact to come."

Newer businesses have the best shot at surviving, experts say, because they are more able to adapt to change. The companies hit hardest so far are often longtime NASA subcontractors that have never really known anything other than the shuttle.

"Older companies tend to be so structured to handle a certain business like the shuttle, they are either not willing to be flexible enough to change or not able to do it fast enough," said Chester Straub, executive director of the Technological Research & Development Authority, a statewide agency based in Melbourne, Fla., that operates a business incubator.

"If you don't move quickly, that window can close on you, and, unfortunately, many older firms are more stuck in their ways," Straub said. "I think that is one of the reasons why some newer companies are weathering the changes a little bit better."

He cited Global Engineering Management and Support Inc. as an example. The Melbourne company, located in the agency's incubator, started a few years ago as a provider of testing equipment for NASA and the military.

But in anticipation of an eventual downturn in both space and defense spending, he said, the company began scouting industries such as transportation, particularly rail systems. That has helped stabilize the small company's revenue as NASA phased out the shuttle program, Straub said.

For most shuttle survivors, however, the transition hasn't been easy, given the region's ongoing real-estate slump and persistently bad economy.

Cocoa, Fla.-based GEM Industries Inc., for instance, has tried, with varying results, to win commercial projects to make up for the loss of its NASA-related revenue, said Ann Miner, the company's owner and president. The metal fabricator once did a booming business in specialty frames, stairwells and other components for buildings on [Kennedy Space Center](#) property.

Miner said her strategy has been to expand her facilities and bid on large commercial-construction subcontracts. But that put GEM up against much bigger companies capable of undercutting her on price, she said. And as her early bids failed and business dwindled, she concluded that she had to cut her prices, too, which at least resulted in some important wins.

"There's such little work out there at all these days. Everybody's so cutthroat, they will lose money just to get a job, and that hurts everyone in the long run," she said. "In this economy, it has been quite a struggle to maintain any sort of profit. We are all losing money just to keep the doors open. But you can only do that for so long."

For survivors such as Aero Industries, part of the solution has been to leave Brevard County behind.

The company, founded 32 years ago in Miami, moved to Titusville, Fla., early on to focus on sales to NASA's then-new shuttle program and to military-rocket launches at nearby Cape Canaveral Air Force Station. But this past March, it moved to a warehouse near Orlando International Airport, cut its staff in half and outsourced most of its manufacturing to partner factories. It also tapped international sales by using Thomas

Industrial Network, a Web-solutions provider for businesses.

As a result, Aero now ships products worldwide as part of a thriving export business, according to Simmons, the president and owner.

"I know a lot of machine shops in Titusville have closed or moved elsewhere," she said. "We had a unique situation there, with the federal government cutting back, the state's economy tanking and the shuttle going away. We had an opportunity to move to Orlando and develop an export business. It has done well for us."

State and local agencies are working hard to retain businesses such as Aero and to help businesses back in Brevard continue growing despite the shuttle program's absence, said Gaedcke, the Titusville chamber chief.

"We've heard a lot of talk about being a one-company town," she said, "and we don't ever again want to be too reliant on any one industry. Diversification is the only way we ultimately won't be back in this same situation 30 years from now."

In the short term, however, things are likely to get worse before they get better, one expert said.

"I'm sure there are some people out there weathering the storm, and it is interesting to know how they have done it," said Michael Slotkin, an economist at the Florida Institute of Technology in Melbourne.

"But over the last four or five years, the cumulative effect has been a huge loss of jobs in this area," he noted. "I'm afraid we will find far more wreckage in the water than people who have found a plank to hang on to."

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