

Chief Executive

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CEO WATCH | CEO PROFILE

Total Transformation

Dan Rooney on morphing a research-oriented specialty materials company into a niche manufacturer.

When Daniel Rooney joined SCI Engineered Materials in 2002, the company's focus was still largely the same as it had been at its inception in 1987—exploring the market potential of what was then a newly discovered, high-temperature, superconductivity material called YBCO. Still run by its founder, Dr. Edward Funk, the company had “very few products and an awful lot of R&D,” explains Dan Rooney, CEO of SCI Engineered Materials. “Two people were working on 32 projects, so they weren't accomplishing a whole lot.”

Charged by the board with transitioning the company toward a manufacturing focus, Rooney had his work cut out for him. Facilities were dingy and outdated and revenues were just \$5 million, 50 percent of which stemmed from government grants. What's more, Funk, who was the company's primary source of funding, was ill and rapidly declining.

“I came on board in March and he passed away in December, so our funding sources disappeared when we were in the middle of a move,” says Rooney. “We had to raise money and basically refocus the company all at once.”

Rooney began by identifying projects with market potential. One early focus became materials used to coat glass in products like thin-film solar panels, flat-screen televisions, insulated windows and the screens on computer devices. Today, for example, the company manufactures ceramic sputtering targets used by thin-film solar panel manufacturers to bond ceramic material—transparent conductive oxide—to the panel glass, which then facilitates the flow of energy in the solar cell. (Sputtering—commonly used for thin-film deposition and etching—is a process whereby atoms are ejected from a solid target material due to bombardment of the target by energetic particles.)

“You touch things every day that have thin film coatings on them,” says Rooney of the broad coating-materials market. “Everything from anti-reflective eyeglasses to energy-efficient windows and iPad screens. What we do is try to identify niches where the volume is low enough that we won't need to compete with big companies like Honeywell.”

The strategy appears to be working. SCI now boasts revenues of \$8 million and sells to customers in 20 countries—and Rooney anticipates growth to accelerate going forward. “We've been laying a lot of groundwork over the past four years, particularly in Asia, where it takes a while to get traction,” he says. “We expect to be doing a lot more business internationally over the next several years.”



WHO: Dan Rooney, CEO of SCI Engineered Materials

LOCATION: Columbus, Ohio

SIZE: \$8 million

EMPLOYEE BASE: 24 employees, 25 percent with advanced degrees

BACKGROUND: Chemical engineering, Rutgers

LEISURE INTEREST: Rowing on the Olentangy and Scioto Rivers

Reflecting on his leadership journey thus far, Rooney says that re-orienting the company toward a customer focus was one of the toughest challenges. Along the way, the company lost a number of researchers who preferred the pursuit of innovation over commercial application. “Looking back, I think the most important thing is to identify the people who will be on your team, who are on board with the idea that at the end of the day, the customer determines if you have a great idea,” he says. “Get that behind you as quickly as possible, because it's just not a lot of fun, and then you can move forward.”

—Jennifer Pellet