

Neosource Flies Above Bumpy Economy

By Ray Tuttle - 5/25/2009

One Tulsa aerospace company is soaring despite today's bumpy economic climate.

Neosource Inc. continues a history of strong, steady growth. The company, which provides overhaul, repair, manufacturing and engineering services to the aerospace industry, reports an impressive 25 percent increase in business over the last five years.

"We have had reasonably steady growth," said Bill Graif, Neosource president. "We expect to reach \$3 million in revenue this year."

Neosource, at 9422 E. 55th Place, with 12 full-time and three part-time employees, repairs and manufactures aircraft components for airlines worldwide. Neosource boasts of a \$250,000 to \$300,000 backlog for the year.

The privately-held company, launched 20 years ago, has established a niche in the state's two largest industries — aerospace and energy. Over the past decade Neosource has expanded its footprint, earning significant contracts from the oil and gas industry.

Just few years ago, aerospace work provided nearly 100 percent of the business by revenue, Graif said.

"Today, 25 percent of our business is oil- and gas-related," he said.

Serves Two Industries

Pipeline work orders increased as the price of oil rose, said Jeremy Johnson, business development manager.

"We have multiple customers in the oil and gas industry," he said.

Neosource has taken advantage of companies' urge to outsource, said Tim Clement, manager of the Waterjet Services.

Much of the credit goes to the use of versatile waterjet cutting technology available at Neosource, Clement said.

"Manufactures are aggressively outsourcing much of that work," he said.

The Neosource Jet Machining Center can handle a range of materials and sizes. With an 80-inch by 160-inch cutting envelope, 40 horsepower and 50,000 psi water pump pressure, the OMAX 80160 is capable of close-tolerance, precision cutting for material thickness as much as nine inches with a tolerance of 0.005-inch. The waterjet process takes raw material to a clean-edged finished piece with no heat-affected areas. In most cases, no additional machining is necessary.

Start Small

Neosource started as a small repair shop in the late 1980s.

The company took parts from three to five of the major carriers of the day. Over time, Neosource has grown to where today the company works with nine out of the top 10 air carriers.

Neosource, with major air carrier customers from around the world, claims to save customers 40 percent to 70 percent of the new costs for component repairs.

"Neosource saves regional jet air carriers, FAA repair stations, MROs, PMA distributors and brokers," Johnson said. And the customer base of regional jet air carriers is expanding.

"It is due in large part to the recent enhancement of our state-of-the-art waterjet machining services," Clement said.

The company has invested \$275,000 in new and upgraded equipment.

The OMAX 80160 is the star of the center. It is the latest, largest and a versatile waterjet cutting technology available, Graif said.

The 80160 complements the OMAX 55100, in service since 1999.

The Neosource OMAX Jet Machining Center can handle a vast range of materials and sizes. With an 80-inch x 160-inch cutting envelope and 40 horsepower, 50,000 psi water pump pressure, the OMAX 80160 is capable of close tolerance precision cutting for material thickness as much as nine inches with a tolerance of 0.005-inch. The waterjet process takes raw material to a clean-edged finished piece with no heat-affected areas. In most cases, no additional machining is necessary.

The OMAX 80160 accommodates a virtually unlimited range of materials, including titanium, aluminum, inconel, composites, foam, plastics, ceramics, wood, and tool steel. Waterjet cutting offers special advantages in handling extremely hard materials and reflective and non-conductive materials such as

stainless steel. It is also ideal for producing small, intricate designs quickly, precisely and completely. "This is an entirely new way of making your product. We can handle a much wider variety of materials than is possible with any other tool," said Clement.

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