

Kristin Muschett, CEO of HABCO Inc. in Glastonbury, is poised to lead her company into international markets for the design of maintenance products for Black Hawk helicopters.



PHOTO BY TERRAN MASON

Flying Full Throttle

The CEO of a Glastonbury-based aerospace company got the growth formula right—she learned to connect people with ideas.

Whether your products are helicopters or headboards, having the power to envision your company at a higher level is the first step to getting there.

And thanks to CEO Kristin Muschett's vision, Glastonbury-based HABCO Inc. has not only doubled its revenues in the last five years, but it is also getting ready to blast off.

HABCO is a consulting and manufacturing firm largely known for designing maintenance products for the U.S. Military's Black Hawk helicopters. From its 30,000-square-foot facility, the

At a Glance

Company: HABCO Inc.
Started: 1970
Incorporated: 1970
Headquartered: Glastonbury
Initial investment: DND
First year sales: DND
Divisions: Military aerospace, commercial aerospace, power generation and fuel cells, industrial and automotive
First year sales: DND
2005 sales: \$8 million
Sales growth since 2000: 100 percent
Number of employees: 27
Reason for success: Vision and communications—"being able to connect people and ideas," says Muschett.
Challenges: "Finding the right employees to support our growth," notes Muschett.

27-employee company designs and builds testing equipment for numerous markets, including military and commercial aerospace, power generation, fuel cells, industrial, automotive, and medical devices. Revenues have grown from \$4 million to \$8 million between 2001 and 2005, and the momentum is building. HABCO is now poised to enter international markets for Black Hawk.

At first blush, it seems surprising to see a leader with a journalism and women's studies degree at the helm of this company. But then she explains: she grew up in it. Muschett's father, Henry A. Backmann, a former Pratt & Whitney employee, founded the company in 1970 to provide custom components and assemblies for the aerospace industry.

"From age 10 to 12, I cleaned the bathrooms with my sister every Saturday," she remembers. Instead of playing? "Dad made it fun," she notes. "As a teenager, I did office work during the summers, doing bookkeeping and making labels for equipment."

In 1986, when Muschett was just 21, and her sister Erica Diamond was 25, their father asked, "Do you girls want to join the business? I'm ready to sell." They readily agreed, and rose through the ranks while their father continued to lead the company for several more years.

The sisters took turns at different jobs, swapping out every six months to a year. They first served in the position of project manager, then accounting, then inside

and outside sales, where Muschett says she found her niche. "I used my journalism background," she says. "I used my ability to take complex engineering ideas and solutions and explain them [and thus sell them]. I see connections between ideas and people's needs."

"Looking back," she recalls, "I couldn't see the value of my degree and to this day, I'm so glad I was exposed to the difficulties of clear communications. In effect, communications is what my current job is all about."

She adds that being a woman in a male-dominated industry has not been a problem for her. "As you become more confident in yourself, it becomes less of a gender issue," she says. But Muschett actively encourages other women to enter non-traditional fields, as evidenced by her standing as a finalist in the 2006 Connecticut Technology Council's Women of Innovation awards.

Looking beyond gender, she says a more important factor in her success was the mentoring that she and her sister received from their father.

Interestingly, after Backmann retired in 1993, the sisters ran the business together with no CEO. They were both vice presidents—Muschett oversaw sales; Diamond, finance—for the next five years. When her sister left to pursue a different career path

in 1998, Muschett bought out her father's share of the business and became CEO. Two years later, she experienced a wake-up call. The company felt like it was treading water, going nowhere.

A couple of issues were at play. First was the nature of the military aerospace market.

"We had too much competition and no discernible competitive edge," she explains. "We needed to find a niche. I didn't want our company to be a 'me too.'"

Secondly, she says, "I didn't see our ability to grow profitably doing what we were doing. We were not using our engineering talent to create products. Almost our whole business was customized work."

In 2000, Muschett had a vision which led to reinventing the business. "I made a conscious decision to grow," she says, determining that "we should take this core engineering ability and turn it into products. I knew we could do it—and I knew we could find the markets. I recognized the potential to do something different."

As it so often happens after a momentous decision, all the pieces fell into place soon after:

■ **A good product:** "Sikorsky, one of our major clients, had us redesign a piece of equipment related to military helicopters: a safety unit to check for leaks in helicopter blades. I recognized



HABCO is planning to launch the Transmission Oil Servicing Cart, or TSU, in the commercial helicopter and aircraft market.

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"We've only begun to tap the potential of these products," says Muschett. "We're only reaching about five percent of the market." She has plans to adapt these products to seven other military helicopter types like Chinook and Apache, as well as five types of commercial helicopters.

that this could be used by a much larger market—the entire army. This was our first product."

■ **An unmet need:** "Nobody else was doing it," she says. "This niche [maintenance supply and testing products] was too small for the large companies and too big for the small companies."

■ **The perfect partner:** Muschett was introduced to Bill Tripp, owner of Hawk Enterprises LLC, a field-based Black Hawk consultant and product distributor who had worked with the military for more than 30 years. Hawk and HABCO formed a partnership, whereby Tripp became HABCO's exclusive representative to the American Black Hawk military market. "It was a perfect marriage of his knowledge and proximity [to the customer], with our creative engineering design and rapid prototyping capabilities," she recalls.

Tripp turned out to be the external arm of HABCO's R&D department, listening to front-line users' suggestions, uncovering their needs, and developing product concepts—a veritable idea pipeline. By 2001, he had worked with HABCO to develop five new products, one of which resulted in a five-year contract with the U.S. Army.

In 2003, another of Tripp's ideas led to the development of an unassuming wheeled unit (reminiscent of a square R2D2) that could send revenues sky-high. The product, called a Transmission Oil Servicing Cart, or TSU, has a very simple mission: it recycles transmission oil. Easily. "It allows you to re-use the oil almost indefinitely," explains Muschett.

The TSU's potential? Limitless. In addition to military helicopters, HABCO has plans to introduce it to the commercial helicopter and aircraft market. It has the

potential to save the U.S. military millions in transmission oil costs, and mitigates the serious environmental issue of used oil disposal.

HABCO's reputation for developing innovative products has not gone unnoticed. In 2006, the company was

Hawk helicopter," says Rob DiMatteo, manager of business development for HSI. "We saw an opportunity—not just the U.S. military market, but also the international military (such as Turkey, Brazil and Columbia) and the commercial market."

He continues, "They reminded us of ourselves and our own character. They are small, aggressive and highly involved in the marketing of their products. They're very willing to work with requirements—they don't just have a set product line. Soup to nuts, they can devise a new product very quickly."

And HABCO keeps devising. Between 2000 and 2006, the company grew from one product line to 17, focused largely on Black Hawk helicopters. But exponential growth is ahead. "We've only begun to tap the potential of these products," says Muschett. "We're only reaching about five percent of the market." She has plans to adapt these products to seven other military helicopter types like Chinook and Apache, as well as five types of commercial helicopters.

The company is growing in other directions too. While the military aerospace market is 60 percent of HABCO's business, its next area of focus will be on developing specialized testing equipment for the medical device market.

Where would HABCO be now if Muschett had not reinvented her vision of the company in 2000? "We'd be surviving instead of flourishing," she says firmly. ■

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HABCO's Milestones

1970	HABCO founded by Henry A. Backmann, a former Sikorsky employee. Company focus: building custom components and assemblies for the aerospace industry
1986	Daughter Kristin Muschett joins the company
1998	Muschett becomes CEO
2000	HABCO develops its first product line; company revenues: \$4 million
2001	HABCO partners with Hawk Enterprises, gains access to the U.S. military market; rolls out two product lines, five more in development
2003	Nine product lines, first \$1 million order
2005	First \$2 million order; company revenues: \$8 million
2006	17 product lines; Helicopter Support Inc. partners with HABCO to distribute and introduce its products to global markets

approached by Helicopter Support Inc. (HSI), a wholly-owned subsidiary of Sikorsky, to form another strategic partnership. HSI, headquartered in Trumbull, has 300 employees and provides helicopter parts supply and maintenance services.

As with HABCO's earlier partnership with Tripp, access was opened to a whole new world—the globe, in fact. "HABCO has grown substantially, and their primary focus is on a Sikorsky product, the Black