

*Limburg company in the top three of American R&D Magazine*

## **Anatech investing heavily in IP and knowledge**

**Last year, the Sittard-based company Anatech was in the US top 100 of the most innovative businesses. The influential trade journal R&D Magazine even placed the company in the top three. A huge compliment for a relatively small company with a mere thirty people on the payroll and practically unknown at home. Director Archi Leenaers is happy to explain.**



There are a number of reasons why Anatech is an unusual business. As a developer and a producer of thermal measuring equipment, the company is in the global top three, none of its millions of euros in turnover is generated in the Netherlands, and none of the equipment leaving dispatch in Sittard has the company name on it. The most unusual thing, however, is the way in which Anatech deals with its suppliers. 'If we get an idea or a commission, we first sit around the table with our key suppliers', says Archi Leenaers. 'We develop and build that instrument together, from idea to working model and prototype, right through to the final production, and with no money changing hands either. We don't invoice a penny in development costs nor do we pay any. Each party contributes time, knowledge and expertise. It's only when we reach the sales stage, which is after about two years, that we start earning money. Then we pay our suppliers a fair, previously agreed price. We don't squeeze people dry, we work together.'

### **Innovate**

It represents an earnings model where everyone benefits, states the man who has been director and owner of Anatech since 2001. 'This motivates us to do our utmost to innovate and to produce the best quality. Anatech was established in 1987, so we've been doing this for 25 years already, and given that suppliers rarely or never back out, you can see that Anatech is not the only satisfied party. We're also not going to go shopping anywhere else for cheaper components. That's not even necessary, as our customers pay us well and know that they can't get things anywhere else. We nurture long-term collaboration because that delivers the best results.'

Finding Anatech is not an easy task, as it's hidden behind a number of huge silos for a transport firm on the Industriepark Noord industrial estate in Sittard. A small sign on the outside of the building and there's room for two visitors in the car park – it's difficult to imagine the largest producers of measuring instruments from Australia, Switzerland, France, Germany

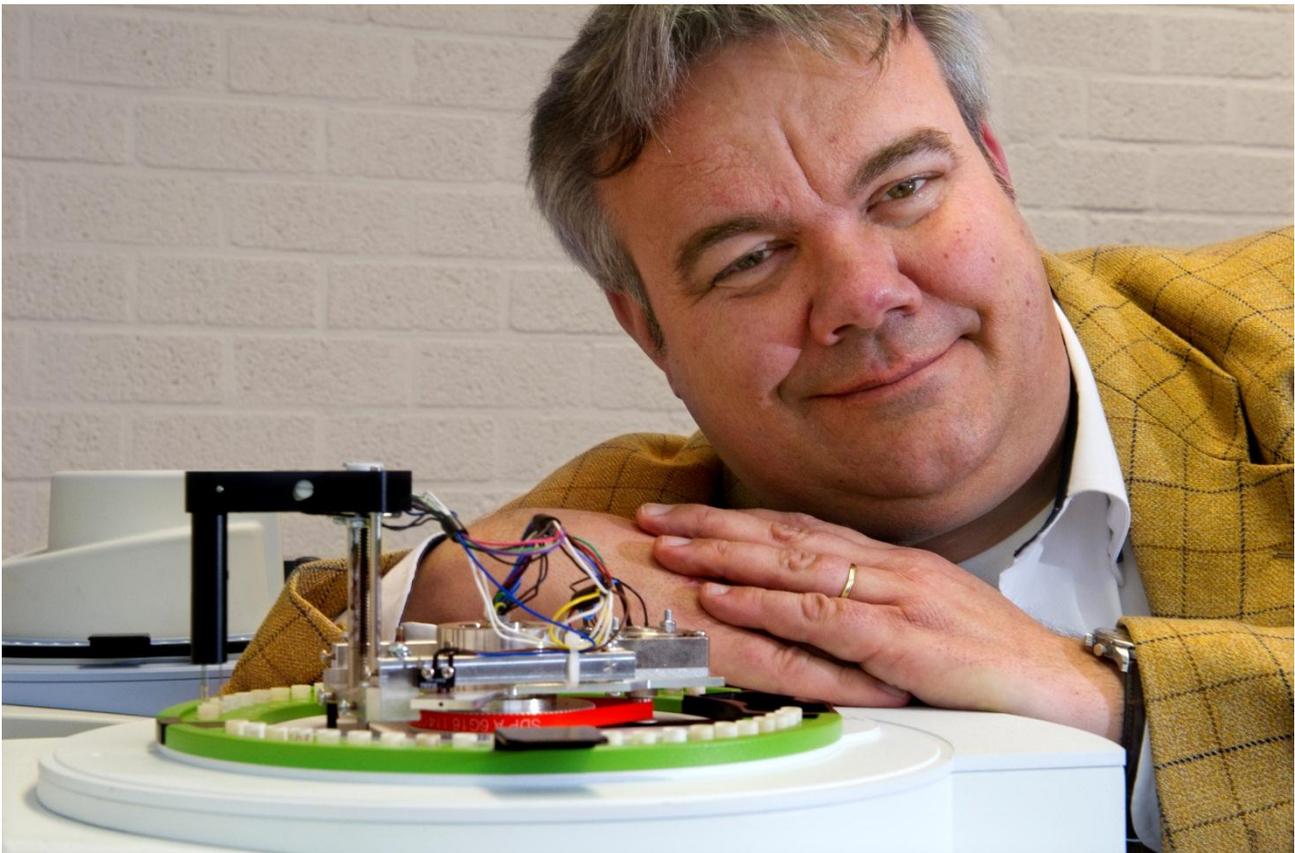


and the US coming shopping here. 'Yeah', laughs Leenaers. 'They've all been here and were all initially stunned that we could serve the entire world with such a small team. But that's not as crazy as it seems. We do two things: development and assembly. Nothing more; no marketing or sales. We out-source everything as well, absolutely everything. A measuring instrument is

made up of about a thousand parts which we insource from our suppliers. We work with regional companies and a few German ones. Our own people assemble the instruments, and once the standard checks and tests have been done, everything is sent to the client. Production can be planned easily. We produce small series. We're growing of course, but by no more than a few people a year. For the time being, this small team is big enough.'

### **Business model**

Made in the Netherlands is the only reference to Sittard on the type plates, which also display the name of the buyer as producer. 'Odd? Not really; that's also a part of our business model. At that time, we decided not to set up our own sales and marketing system. We applied ourselves to developing the most precise measuring equipment, specifically thermal measuring equipment; a niche market that the major manufacturers don't want to invest in. Development costs are high and it's also difficult to continue to innovate and progress. But it is equipment that they really want to sell to their end users. Anatech has dived into that niche market. We are now working for six of the ten largest producers of thermal measuring instruments in the world. We take over all of their R&D costs and run all the risks. Every buyer gets exclusivity. In turn, we don't invest in sales and marketing. They sell our instruments under their name. So everyone's happy.'



*Director Archi Leenaers behind an Anatech fully automatic autosampler.  
(photo: Johannes Timmermans)*

## **Anticipating**

Anatech is a typical niche-focused company. Every year, the engineers in Sittard develop at least two new instruments. The company now produces a wide range of equipment which can measure how a material reacts to temperatures between minus 196 and plus 1,500 degrees Celsius. An instrument that can precisely measure temperature differences to a millionth degree won Anatech the MKB Limburg Innovatieprijs, the provincial innovation award for small- and medium-sized companies, in 2009. 'Using this instrument, you can learn loads about how a material behaves. We came up with it ourselves. We develop on commission, but also anticipate the developments in the market. As arrogant as this may sound, we know what our clients need. The increasing scarcity of base materials and other materials means that measuring is becoming increasingly important. How much do you need for a particular product? What tolerances must a component meet? And then there's miniaturization as well. Everything is getting smaller and smaller. Before, you used to be able to judge everything with the naked eye, but not anymore. A measuring instrument is now the master's eye. Thermal measurements present major opportunities because you can be very precise with them.'

## **No crisis**

Anatech's instruments travel the world, and the crisis is not bothering the company much. 'We don't have a single client in the Netherlands. In Europe, things aren't going as well, but in China, India and South America, there's no talk of a crisis. Things are looking up in the US as well. As a global player, we're seeing an increasing demand, and, I dare say, demand in Asia is even exploding. Manufacturers there are making advances in quality. And don't forget, China is overtaking us left, right and centre, with good products and better materials. Naturally, they need measuring equipment for that. I also see a significant increase in demand from the medical and pharmaceutical sector. Materials are mixed with medicines and implanted in the body. That can only be done when doctors know exactly how the material behaves. A perfect example of this is the contact lens with integrated medicine or the stents that are placed in veins. Precise measurements are essential for this.'

## **Adding value**

Archi Leenaers expects gradual growth in the next few years. 'Working with materials in a sustainable and cost-effective manner will be the trend over the next few years. And measuring is part of this. As such, we're now working on very precise weighing systems. Knowledge is our strength, and we wouldn't sell it for the world. Intellectual Property will stay here in Sittard, which is why we can serve the whole world and still stay here in the Netherlands.'

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Text: Jos Cortenraad*

