

Picking Your Customers:  
Lessons from a MEMS Manufacturing Company  
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Subject Area:  
The Role of Foundries in Commercialization

Mini-Abstract: Chris Lumb, CEO of Micralyne, Inc., will talk about Micralyne's experiences in successfully matching the needs of MEMS product development companies with capabilities of foundries. Effective "selection" by a foundry of its customers can have a profound effect on the success of the product development exercise, and on the foundry's business. Ensuring that an effective match is in place has allowed Micralyne to continue to grow both revenues and profits over the last five years, and Chris will share Micralyne's insights into effective customer selection and project structuring.

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Has Information been presented before: No

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Abstract:

A driving force behind new product development is to make components smaller, faster and less expensive. This is the promise of MEMS but the challenge, of course, is to translate a MEMS product vision into manufacturing reality.

Much has been written about the lack of manufacturing standards and the relative immaturity of the MEMS industry as a whole. As a result, it is often difficult for a MEMS product development company to select a manufacturer or MEMS foundry that can meet all of their needs. By assessing a manufacturer's know-how, equipment infrastructure, development track record, and experienced personnel, a product developer can narrow

down the field to those who offer the greatest chance of success.

However, very little has been written regarding the questions that should be asked by MEMS foundries of the MEMS product development companies. While it makes sense for development companies to carefully pick their foundry partner, should foundries spend more time picking their customers?

As a developer and OEM manufacturer of MEMS components for customers in many different industry sectors, Micralyne Inc. has undertaken many successful customer projects. Along the way, the company has demonstrated its ability to grow revenues and remain profitable despite the recent uncertainty and volatility surrounding the MEMS industry.

Based on this experience, Chris Lumb, Micralyne's CEO will speak on the importance of matching the needs of customers with a foundry's specific capabilities. As well, he will talk of Micralyne's increasingly proactive approach to assess the companies that approach the firm and whether or not they would make viable long-term customers. While it is difficult to turn away paying customers, it is often a prudent business decision to do so as the wrong match between customer and supplier can often mean the difference between project success and failure.

In particular, Chris will address the following questions:

**Picking Your Customers – Is there a good match between customer and foundry?**  
The opportunity cost of taking on one customer over another can have a long-term impact on a foundry's bottom line. What makes a customer strong in the eyes of a foundry?

**The MEMS Development and Manufacturing Process – Do MEMS development companies really understand the issues?**  
MEMS is a relatively immature industry and, with any new technologies, things can and do go wrong during a development phase. Do customers understand what it takes for a foundry to manufacture a MEMS product repeatedly and reliably?

**Setting Expectations – How are technical and non-technical expectations set?**  
In many cases, problems associated with marginal or failing projects may have more to do with managing expectations than with technical issues. Once a customer project is in place, are the proper communications channels in place to manage expectations on an ongoing basis?

Chris will also explain Micralyne's "customer checklist" that is used to assess potential customers before projects are initiated. Implementing this checklist has improved Micralyne's ability to commercialize MEMS products and has had a positive impact on the company's bottom line.

Both foundries and product development companies can learn from Micralyne's experiences as a MEMS development and manufacturing company and the importance of properly "picking your customers".