MICHIGAN
ROSS SCHOOL OF BUSINESS

WDI PUBLISHING

mini-case 1-430-471
December 7, 2015

Sussex Industries: New Products or New Markets?

In early 2008, Cyril Nabarkin received a telephone call that sent shock waves through Sussex Industries. Both the U.S. Navy and U.S. Air Force had decided to cancel their longstanding contracts with Sussex for liquid oxygen (LOX) converters, the company's main product, favoring instead a new OBOGS (on-board oxygen generating system) technology, which extracts oxygen from engine air during flight. In less than six months, Nabarkin calculated, revenue would shrink by almost 90%. It was urgent, therefore, to identify new opportunities for the company.

Marketing had never been the strong suit of Sussex, however. Indeed, Nabarkin once joked that the company, being a government contractor, had a marketing department, which consisted of a secretary who sat at her desk waiting for the next military order. Nabarkin also worried that, with the technological switch in the market, its main activity might cease to exist in the near future. Could he identify new markets in which LOX could be used? And did Sussex have what it would take in order to play in these markets?

Published by WDI Publishing, a division of the William Davidson Institute (WDI) at the University of Michigan.