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How a new kid broke into the defence industry

Ottawa's D-TA Systems started with R&D, then hit the big time with its data transmission products

As a new kid on the block, D-TA Systems Inc. of Ottawa faces the challenge of persuading the defence and aerospace industries that they should try something—and someone—new. This at a time when the world economy is slowing and government budgets, so critical in the defence industry, are being squeezed.

But the new kid may have an advantage: It's hungry and willing to be flexible, says Angsuman Rudra, the chief executive officer. D-TA develops customer-configurable products that, among other things, help transmit and receive massive quantities of data quickly and securely. They do this by converting analog signals from radio, radar and sonar systems into digital data for processing with computers.

It sells its products to the United States, South Korea, Israel and Japan, and has about 17 employees, including four PhDs in engineering. Its foreign contacts, built up in previous businesses created by its founder, Ottawa entrepreneur Dipak Roy, help get its foot in the door.

Rudra, 41, who has a master's degree in engineering from Carleton University in Ottawa and an MBA from the University of Ottawa, came to Canada at 23 from India for graduate studies, and stayed. "You grow roots," he says.



Angsuman Rudra, the chief executive officer of D-TA Systems Inc. of Ottawa
Photo: D-TA Systems

What is your vision of the company's future?

Growth is obviously our focus. Spreading the message. We are still a new company, a new kid on the block. One thing we have found is that in the defence arena, even if you are the new kid on the block, people give you a hearing if they think you have something truly innovative.

What countries do you approach?

Our first partners have always been outside the U.S. I'm not saying we can ignore the U.S.—it probably constitutes 80% of our sales. But the initial successes have been primarily outside.

Why?

Other countries can sometimes move faster. Let's say the U.S. is talking about upgrading ships—you are now talking about a \$50 billion program. In Japan, the total money commitment is a lot smaller and they can make quicker decisions.

A lot of our customers do R&D work. That's the market we target. You cannot go into a defence program right off the bat. You have to start with the R&D. You get into the R&D; you get designed in; somebody uses it; you do a small scale deployment; only then will you see a big program. You rarely see a huge program, certainly for companies of our size. We are, as we say, at the bottom of the food chain

What's the most important thing for the new kid on the block to know?

You have to have the better mousetrap—but that's not everything. You have to solve a problem. And what I have heard from customers is flexibility [matters]. We have given the impression to the customer that we want to work with him. Whereas a lot of times the old kid on the block becomes arrogant: "This is my product, take it or leave it."

What's the biggest problem associated with being the new kid on the block?

There's always the thing that "I'm already using somebody"—a known devil is better than an unknown one. For us to say, "Change your way, don't use them for your next project, use us," always takes a lot of convincing. We can only do that when we show the superiority of the value—better performance.

How do you get the opportunity to show that you can be better?

That's where our contacts come in. We know these people. We also do a lot of e-mail alerts about products we've released. If you go to our website, we have put up a whole bunch of technology notes. We do that to tell our customers how open we are and what exactly our product will do. It gives them the warm fuzzy feeling that they are dealing with a company that knows what they are talking about and that we are willing to stand with them. We set up demos on the Web. It's engineer-to-engineer sales.

Aren't you worried people will steal your technology?

We have to be careful what we put on. We don't put the entire design aspect on the Web. But we think it's not easy to go and copy exactly what we're doing.

What else has contributed to your success?

Government funding. We are very happy about the IRAP [Industrial Research Assistance Program of the National Research Council] grant we got. We got IRAP when we were six months old. It also formalized a lot of the contact with the government scientists. That helped us to fine-tune our products. We are grateful to IRAP. We are also grateful to SADI [Strategic Aerospace and Defence Initiative.] It gave us a loan for R&D. These government funds are a validation by somebody external that what we are doing has some meat, and some potential of being a market success. That validation is very important

For your customers?

No, for us—even for doing the R&D. We do the R&D based on thinking there is a market.

This article has been edited for length and clarity.

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