



CASE STUDY

Hydro-Thermal



HYDRO-THERMAL: FROM WISCONSIN PAPER MILL ROOTS TO HIGH-TECH, INNOVATIVE EXPORTER

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—Jim Zaiser,
President and CEO, Hydro-Thermal

The Wisconsin Economic Development Corporation, the state’s lead economic development agency, partners with a network of more than 600 regional and local entities to help businesses start, grow and locate in Wisconsin.



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With roots that trace back to the Fox Valley paper mills of the early 1900s, Hydro-Thermal has been at the forefront of developing and manufacturing direct steam injection technology for more than 80 years. In 1934, company founders collaborated with chief engineers at Kimberly-Clark to create its first Hydroheater™, which mixes steam and process liquids to deliver consistent temperature and instantaneous heating to its application. Since Wisconsin led the production of pulp and paper at this time in history, Hydro-Thermal’s Hydroheaters were solely used to support the industry until the 1960s.

Over time, the Waukesha, Wisconsin-based company adapted its technology to serve additional industries, including ethanol, starch, food and beverage, water heating and meat processing. With the advancement of its Hydroheater technology for diverse applications, the company has been able to expand its reach globally, serving companies in more than 85 countries across six continents. This international growth happened as a direct response to Hydro-Thermal’s customers’ needs. As large corporations such as Cargill and Nestle incorporated Hydroheater technology into their global production processes, Hydro-Thermal’s equipment was needed overseas.

Today, the company has more than 20 years of export experience, and over 30 percent of its sales are generated from international business. From the



beginning of its exporting journey, Hydro-Thermal executed an effective international growth strategy by hiring an expert team of sales representatives who could serve customers in a variety of industries and countries. The company firmly believes in investing in employee training and hiring talented staff to achieve domestic and international growth goals. It also has leveraged statewide resources to help scale and expand its business operations and exporting strategy.

BUSINESS NEED

By 2015, Hydro-Thermal was adding two to three international sales representatives to its staff each year to keep up with the demand for its products abroad. The company also had recently hired Steve Schaefer as its new vice president of sales.

At the same time, Hydro-Thermal was launching a brand-new product—the SilverLine™ Smart Cooking System—which uses direct steam injection to heat soups, sauces, beverages, dairy-based products, tomato-based products, starch-based products and more. The product line can cook continuously for weeks, providing precise temperature control, and can thoroughly cook a product from start to finish. This was the first time the company had developed this type of robust product line for the food and beverage industry.

Hydro-Thermal International Sales Manager Gary Bymers explained that with the simultaneous hire of Schaefer and expansion of the product line and sales staff, the company needed additional resources to scale appropriately and grow its business operations overseas.

“Even though we were a fairly mature exporting company, we thought it was the perfect time to regroup and explore statewide resources to meet our international growth goals,” Bymers said. “We knew there were grants and other assistance available that could help us devise a process for rolling out this specific product globally.”

SOLUTION

Upon conducting research into statewide resources to help continue the company’s export success to date, Hydro-Thermal discovered ExporTech™, an export acceleration program delivered in partnership by the Wisconsin Economic Development Corporation (WEDC) and the Wisconsin Center for Manufacturing and Productivity (WCMP). The program helps Wisconsin companies expand their global market reach through targeted export strategy development and execution.

While many new-to-export companies participate in ExporTech to receive access to experts, individualized coaching and consulting, customized support and guided



development of an international growth plan, the program can also be of assistance to companies that have vast exporting experience, such as Hydro-Thermal.

“For us, going through the ExporTech process was really helpful in rolling out SilverLine and getting our new vice president of sales on board with this product’s launch strategy,” Bymers explained. “WEDC, WCMP and everyone involved in the program worked well together and recognized that our company had more than 25 years of experience in exporting. Because of our exporting background, they worked with us to provide customized guidance that fit our specific needs.”

Since success in exporting often hinges on executive support and buy-in, ExporTech requires participation from senior leadership to help deliver early export results at a reduced risk. The program also helps companies determine the value proposition of a specific product they would like to ship internationally. For Hydro-Thermal, Schaefer and fellow sales staff to determine the best markets to target with SilverLine.

ExporTech consultants were able to work directly with Schaefer and fellow sales staff to determine the best markets to target with SilverLine.

“For me, coming on board at Hydro-Thermal and experiencing the ExporTech Program firsthand was a great way to learn how to successfully navigate the international marketplace for our new product line,” Schaefer said. “The statewide and international resources available for Wisconsin businesses are unmatched, and I’m glad I had the opportunity to work with this collaborative group of exporting experts.”

SUCCESS

With initial data pointing to increased sales following their ExporTech participation, Hydro-Thermal has already sold a SilverLine unit to a well-respected sauce processor in the United Kingdom and is renting a unit to a Korean company. The program helped Hydro-Thermal drill down and target these specific market opportunities for its SilverLine product abroad.

“No matter where you are on your exporting journey, whether you’re an export novice or have years of experience conducting business internationally, ExporTech is an advantageous program,” said Katy Sinnott, vice president of international business development at WEDC. “Hydro-Thermal is a great example of a company that used the program to strategically grow its exports and continue to increase sales in overseas markets. And, fortunately, Hydro-Thermal is just one of many companies seeing real results from the program. Our data show that ExporTech graduates have achieved sales increases averaging \$900,000 in six to nine months after completing the program.”

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In addition to sales success, the company’s international growth was acknowledged with a 2016 Governor’s Export Achievement Award, Hydro-Thermal’s second, as the company was also honored with this award in 2011. These awards acknowledge businesses that have achieved significant growth or implemented innovative strategies in exporting, and nominees are evaluated on measurable export growth, innovation and contributions to the state’s overall economy and trade development.

“It is a great honor for Hydro-Thermal to receive the Governor’s Export Achievement Award. We are pleased that our commitment to innovation and strong Wisconsin values has brought us continued success,” said Jim Zaiser, president and CEO of Hydro-Thermal. “It is an ever-evolving challenge to cultivate growth internationally, and our staff consistently and enthusiastically welcomes the opportunity.”

Hydro-Thermal’s leadership team believes that ExporTech is vital in helping businesses learn how to export efficiently. They also recognize that the state’s seamless alignment in providing export assistance is key to helping get the word out about Wisconsin’s strengths in manufacturing, among a variety of other industries.

“You’ve got to get out there and you’ve got to export,” Zaiser said. “We want potential customers to know that, from Wisconsin, we deliver an excellent product every single day.”