My Benesch My Team – LSP Technologies

APRIL 12, 2019

"Benesch approaches opportunities from an entrepreneur's point of view and takes a business perspective on managing risk. It's 'how can I make this deal work'—not only 'how can I protect my client,' but also 'how can I protect my client and how can I make this deal work and at the same time get what my client wants.'" **Jeff Dulaney, PhD**
President and CEO
LSP Technologies, Inc.

When your company has already cornered the market for its innovative technologies, where do you go next? For LSP Technologies, pioneers of laser peening, Jeff and his team are working with Benesch to take advantage of new opportunities to extend the business globally while protecting its valuable intellectual property. From overseeing a substantial IP portfolio to structuring joint venture deals to optimizing tax implications, Benesch provides the necessary legal protection and business-forward perspective that enables LSPT to grow with confidence.

LSP Technologies, Inc. (LSPT) pioneered laser peening and is the only company in the world with the intellectual property rights and the technical know-how and experience to design and sell laser peening systems. The following is a testimonial from LSPT President and CEO Jeff Dulaney.

Is IP primarily what Benesch does with you?

Primarily it has been intellectual property, but Benesch is also helping on some tax-related matters-foreign tax in particular, which comes out of the intellectual property. Benesch coordinated a joint venture that we put together with a Chinese company. We've been working on the JV for about three years with the support of a couple of great attorneys out of the Cleveland office: Allan Goldner and Leo Pan.

We've also filed a couple of lawsuits related to IP and so there are a couple of litigation attorneys within Benesch that I've worked with, as well as some import-export matters they've been helping us with. Most of the work falls under the intellectual property umbrella-nondisclosure agreements, patents, partnership agreements, the JV agreement I just mentioned, and exclusivity arrangements.

You mentioned you just did a JV, and I know you're in the midst of moving to a new building-is that because of growth?

Yes, absolutely. We're in a huge growth spurt at the moment. I started the business as a service business, so companies send us parts that we laser peen and send back to them. That had been our business model up until 2012, when I made the decision to pivot the company to also include designing and building a line of laser-peening equipment that we could sell so our customers could do the process themselves. There's no other company in the world that sells laser-peening equipment. So now we've opened up the market significantly. We're in a contract to sell equipment to Airbus that we'll be delivering later this summer, we're working with a large nuclear power company, and we have several other big projects in the works.

We are just moving into a new building, expanding from 18,000 SF to 65,000 SF. We've more than doubled our staff, going from 27 employees at the end of 2017 to 59 now; 31 of those are engineers. And revenue has doubled. Obviously, the intellectual property that supports this is important and will be important for us to maintain our position.

What's the nature of your joint venture?

We are setting up a production laser-peening operation in Weifang, China, under the name Shandong Maitelaisi Metal Surface Technology Co., Ltd. (we call it MTLS), and it will exclusively use our equipment and our technology inside China and Singapore. We're building a 10,000 square-meter manufacturing facility over there. We're shipping our first Procudo® Laser Peening System from Dublin to China at the end of April and beginning of May 2019, so by second quarter we should be up and running and ready to do production work over there.

Are you continuing to explore these kind of growth opportunities?

Yes, absolutely. We already have our Procudo® Laser Peening System equipment on two other continents: in China at a research facility at Guangdong University of Technology in Guangzhou, and at a research facility focused on aerospace applications in Hamburg, Germany, that is 40 percent owned by Airbus and 20 percent owned by Lufthansa. We're using those R&D facilities as platforms to market our equipment and introduce new customers to the technology and hopefully open doors in those geographic areas. We also just entered into a distribution agreement with a company in India, and we are in discussions with a company in South America for distribution of our equipment. We're trying to establish these distribution channels to give us more access to potential customers.

It's exciting-growth fuels growth.

I feel like Benesch has done a great job for LSP Technologies and they've certainly made a number of accommodations for my business over the years that might have been difficult for me to find otherwise, such as tax resources, and that helped me build a large patent portfolio of over 100 patents and patent applications. I'm really happy with Benesch and everything they've done for the company, certainly in helping us protect our IP and trademark our flagship equipment. They've played a significant role in getting us where we are.