

# LOS ANGELES BUSINESS JOURNAL

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## Up Front



How a Ron Popeil protégé is trying to brew a better cup of coffee. **PAGE 3**

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# L.A.'s Oldest Firm Losing Appeal for Lawyers?

**LAW:** O'Melveny & Myers hit with departures as revenue slides.

By **CALE OTTENS** Staff Reporter

For the second time in four months, **O'Melveny & Myers** bid farewell to a managing partner when **Carla Christofferson** resigned from her longtime post in the law firm's downtown L.A. office.

Christofferson, who spent her entire legal career at O'Melveny, joined Century City engineering giant

## THE LIST

L.A.'s Largest Law Firms  
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**Aecom** this month as executive vice president and general counsel, but her departure is no isolated incident.

More than three dozen lawyers have fled O'Melveny's downtown and Century City offices in the past year alone. The drop in head count comes as revenue at the firm slipped 9.3 percent to \$665 million last year, the lowest level in more than a decade.

Still, O'Melveny remains among the largest shops

in Los Angeles County, according to the Business Journal's annual list of law firms. (See page A2.) And **Mark Samuels**, partner in the downtown office and vice chair of the firm, said there's nothing to be concerned about.

"We don't have any particular focus on head counts for head counts' sake; that's not what we're about," he said. "We have a long-term strategy that calls for significant investment, and we've continued to invest in laterals and technology."

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Circled Up: Tim Gervais, left, and Art Talavera at Votaw's facility in Santa Fe Springs.

RINGO H.W. CHIU/LABJ

# Bigger Better

Burtek merges three firms to pursue aerospace work

By **CAROL LAWRENCE** Staff Reporter

**VOTAW Precision Technologies Inc.** and **Process Fab Inc.**, both in Santa Fe Springs, are the kind of suppliers that big aerospace companies want to see less of.

Big firms from **Boeing Co.** and **Airbus Group** to Hawthorne's **Space Exploration Technologies Corp.**, or **SpaceX**, have made no secret that they want to deal with fewer but larger suppliers. That's why Votaw and Process Fab, along with an engineering business in Michigan, are merging into a single company.

In a deal that's taken nearly a year to complete, **Burtek Holdings** in Chesterfield Township, Mich., consolidated the two Santa Fe Springs

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# Rockers Play Big Role in Dispute

**MUSIC:** Mötley Crüe cued up in fight over Aerosmith's frontman.

By **SANDRO MONETTI** Staff Reporter

Only in Los Angeles could a hedonistic rock star with a history of heroin abuse be called as a character witness.

But so bizarre is an ongoing court battle between music business rivals that **Nikki Sixx** of Mötley Crüe finds himself as a witness for the plaintiff.

As the bassist with teased hair and tight pants prepares for his L.A. band's farewell tour – more on that later – he has been dragged into a long-running dispute between the Crüe's longtime manager, **Allen Kovac**, and their former lawyer, **Dina LaPolt**.

Kovac's **Kovac Media Group** has accused

Please see **MUSIC** page 47



MARK WEISS

Back in the Day: Mötley Crüe's Nikki Sixx.

# Now Tech Firms Are Being Recruited To Cheaper Locales

By **HANNAH MIET** Staff Reporter

It's a tried and true business practice: keep high-level employees in cosmopolitan headquarters but hire customer-service workers and back-office employees in low-cost locales such as Harlingen, Texas.

**Stockdale Capital Partners** in Los Angeles has put money on the belief that California tech companies have matured to the point where they will soon follow this template.

But there's a twist: Instead of farming out jobs to remote Harlingen, Stockdale hopes

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# Aerospace: Firm Pieces Together Growth Strategy

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companies with its own engineering and design services, creating a bigger company that Burtek Chief Executive **Jeff Daniel** said can offer customers more of what they want.

"We're taking three \$30 million companies and making a \$100 million company with a critical mass of revenue," Daniel said. "We're investing in future talent and research and development, and we're fully utilizing our facilities and equipment to provide the best price and value to our customers."

Burtek is one of many small suppliers choosing consolidation as a way to stay in business amid recent pressure from defense and aerospace companies to cut costs, reduce purchase orders with fewer suppliers and increase capabilities.

Already, the newly combined company has won about \$10 million in contracts over the past few months — work Daniel said none of the three individual companies would have won on its own.

**'Prior to bringing the teams together, Votaw would not have done that job because they had no engineering.'**

JEFF DANIEL,  
Burtek Holdings

For instance, he said Burtek recently obtained a contract to design and install a product for **Lockheed Martin Corp.**

The Votaw team will build and install the product — Daniel couldn't say what it is — while the Burtek team will handle design.

"Prior to bringing the teams together, Votaw would not have done that job because they had no engineering," he said.

## More for less

Burtek's consolidation drive started in 2011 after Chicago private equity firm **Wynnchurch Capital** bought **Burtek Enterprises Inc.**, the engineering company that's now part of Burtek Holdings.

Daniel, who was put into place at Burtek Holdings by Wynnchurch, said he was tasked with building a critical mass of revenue and a skilled workforce that could meet demands from Burtek's defense industry customers, who want more services and products but lower costs.

"We have customers asking for 30 percent price reductions," he said.

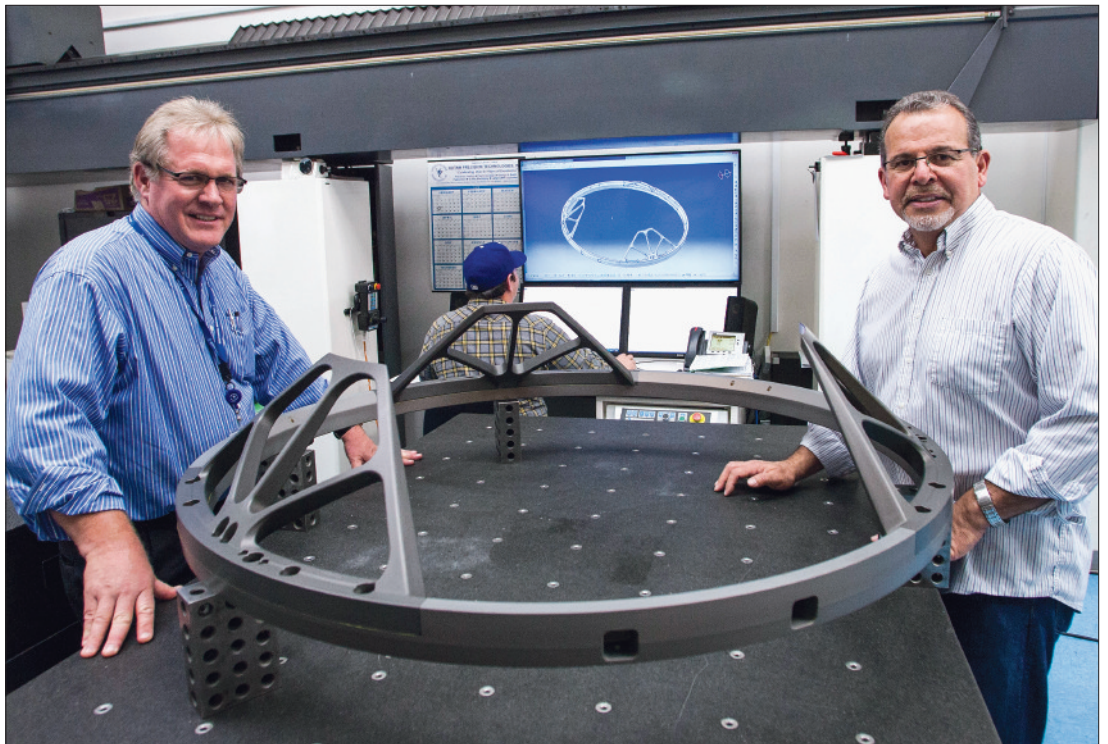
After spending the next two to three years forming a strategy and investigating 200 companies to buy and merge with, Daniel said he found Votaw and Process Fab. Burtek bought Votaw in April and Process Fab in December.

Votaw has a vast, 240,000-square-foot factory, where about 130 employees build large components for spaceflight and defense companies, such as giant cylindrical berthing rings that enable capsules to connect to the International Space Station. Most of Votaw's work is in producing small numbers of huge, precision parts.

The company's president, **Scott Wallace**, is staying on under the agreement.

Process Fab, a manufacturer that operated a plant just three miles away from Votaw's, specializes in smaller parts for rockets and commercial jets, such as doors and engine pylons.

Since acquiring Process Fab, Burtek has been moving that company's operations to Votaw's larger facility, though it is keeping much of Process Fab's machinery. The move is nearly complete.



RINGO H.W. CHIU/LABJ

**Coming Together:** Above, a worker at Votaw Precision Technologies in Santa Fe Springs. Tim Gervais, left, and Art Talavera.

About 90 of Process Fab's 113 employees have been offered employment at Votaw, according to the company.

Burtek, with some funding from Wynnchurch, spent \$56 million to buy the two companies and to upgrade equipment and technology at Votaw's plant.

With a wider range of manufacturing ability, plus the addition of parent company Burtek's engineering services, the combined businesses can become much more of a one-stop shop for aerospace clients, said **Tim Gervais**, Votaw's vice president of business development.

"We always offered a little bit of design and build (services), but with their bigger staff we can be more competitive and offer more to market," he said.

**Art Talavera**, vice president of operations for Votaw, said the consolidation also helps the company meet customers' latest demands: higher speed and better quality.

"It used to be just cost, and the low bidder was getting (most) jobs, but the customer now is looking at the whole procurement equation — cost, lead time and quality," Talavera said.

## Teaming up

**John Anderson**, director of consulting services for Torrance nonprofit **California Manufacturing Technology Consulting**, said small suppliers to the big aerospace and defense manufacturers face constant pressure to cut prices and must continuously find ways to improve what they offer and sell it at lower costs. They do that by being more efficient

and effective at what they do — or by teaming up with other suppliers.

"Sometimes there is an advantage of going under one roof and getting the productivity per employee up by moving increased volumes of product or parts through the facility," Anderson said.

Companies such as Boeing and Lockheed face their own pressure to lower prices from shrinking federal defense budgets, he added.

Also driving the consolidation trend is a lack of interest from the children of company owners to hold on to their family manufacturing businesses amid rising costs and price pressure from customers, Anderson said.

"The issue is that wage costs are going up and materials prices are also going up," he said.