

HYDRONALIX EXPANDS PRODUCT LINE AND MANUFACTURING BY GROWING ITS EXPORT MARKETS

ABOUT HYDRONALIX, INC. Hydronalix manufactures robotic water rescue systems and small unmanned watercraft. First responders, the U.S. and other nations' militaries and government agencies use Hydronalix products to aid in water rescue and other applications such as bridge inspection, scientific research and law enforcement on oceans, lakes, and rivers. Hydronalix capabilities include advanced research and development, design and prototyping, test and evaluation, production, customer training and service. The company is based in Sahuarita, Arizona. Since 2021 the company has grown from 30 to 50 people.

THE CHALLENGE. The first step Hydronalix took was to develop an export strategy and plan with the help of ExporTech™, a two-month export boot camp program led by Arizona MEP, part of the MEP National Network™. Since then, Hydronalix has consistently executed its export plan with help from the Arizona State Trade Expansion Program (AZSTEP) program, which assists with some of the funds needed to participate in international trade shows as part of a delegation representing Arizona companies.

MEP CENTER'S ROLE. One of the ways Hydronalix found success was by developing versions of Hydronalix products that could be exported without ITAR restrictions. Items not designated under the control of another federal agency or listed on the Commodity Control List are classified as EAR 99 (Export Administration Regulations). EAR 99 items generally are low-technology consumer goods and do not require a license. This strategic decision allowed Hydronalix to grow its business with the U.S. military, primarily for products used in humanitarian missions.

Over the years Hydronalix has uncovered many new applications suitable for its robotic systems by focusing on its export business. From sampling water in France for Red Tide to an unmanned police boat to clear the waterways for parades in Thailand, Hydronalix has developed products built for a specific application but then discovered new uses for the same product by tweaking the sensing technology or other options to meet customer's needs. The trade missions organized through AZSTEP served to find end users and to develop a network of local distributors. This relationship increases the value to the U.S. military overseas. Hydronalix takes part in U.S. Marine Corps training exercises across Europe and will soon open an office at the NATO training facility on the island of Crete. In 2021 Hydronalix opened a manufacturing facility in Tucson to support its growing business, while research and development is still conducted in Sahuarita.

"It takes a lot of continuous effort to grow a global customer base. In our case, ExporTech and Arizona MEP provided the initial push to get us started. Arizona MEP has been a critical partner in our journey providing advice and access to resources important to Arizona manufacturers."

-Anthony Mulligan, CEO

RESULTS



Company added **20** jobs due to expansion and increased sales



Hydronalix is now in more than **53** countries and is opening a facility in Crete

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