

U.S. Small Business Administration honors Oxygen Generating Systems Inc.

Founded in 1995, Oxygen Generating Systems Intl. of Niagara Falls markets nearly 70 percent of its production overseas to become the Small Business Administration's Small Business Exporter of the Year. The company was nominated by the Small Business Development Center at Niagara Community College.

OGSI was formed by Joe McMahon, Terry Grant, and Bob Schlehr who became acquainted while working elsewhere, to take advantage of a niche market in producing onsite oxygen generating systems. McMahon is President; Grant is Sales Manager; and Schlehr is Marketing/Sales Manager. The company operates in the former Bell Textron plant near Niagara Falls International Airport.

Its generating systems are used in waste and water treatment, metal cutting, medical profession, chemical industry, agriculture and aquaculture.

Other systems provide breathable oxygen for hospitals or for use in "oxygen bars" found in health clubs and tanning salons.

"It has lots of industrial applications, particularly in food processing," he said.

Some production also goes for the thermal market for torches used in auto repair shops, or for soldering, jewelry making or glass-blowing.

While oxygen generation is inexpensive in the United States, it soon became apparent that there was a substantial overseas market, where OGSI could have a competitive advantage. Only six companies in the world do what OGSI does.

"From 1996 to the present, OGSI has continually increased export sales from 48 percent of total sales to almost 70 percent. Over the years, sales have been made to 40 countries," stated Richard Gorko, director of the NCCC Small Business Development Center.

Schlehr credits OGSI's overseas marketing success to the Internet.

"We've been on the Internet since 1995 and the leads for many of our projects have come from there. We probably have 27,000 hits per month worldwide; our customers find us. A big project we just sent to Russia was found via the Internet," he said.

Schlehr estimates that nearly a quarter of OGSI's output this year will go to mainland China. Total annual sales are expected in the \$2.5 million range this year. Employment stands at 15.

Buffalo Business First, May 22, 2000