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By Randy Woods

When someone says the word “airplane” in Washington state, it’s hard to think of anything else but Boeing jumbo jets. But there is at least one other mega-successful aircraft manufacturer in the state, although odds are you haven’t even seen one of its planes. That’s understandable—most of them are light enough to be carried by one person.

[Insitu, Inc.](#), a small, 13-year-old firm in the even smaller Columbia Gorge town of Bingen, has quietly—some would say stealthily—risen to become one of the top producers of unmanned aerial vehicles (UAVs) for intelligence gathering, surveillance and reconnaissance. From 2003 to 2006, Insitu sustained a staggering 1,704 percent growth rate, with revenues soaring from \$2.8 million to \$50 million. This performance recently earned Insitu the No. 87 spot in Inc. magazine’s most recent list of the 5,000 fastest-growing companies in the United States.

Much of the credit for the company’s meteoric rise can be given to Steve Sliwa, a commercial pilot and aeronautical engineer who joined Insitu in 2001 as its CEO. In an age when progress in business is measured by the steady march of large corporations as they gobble up the little guys, Sliwa has been able to carve out a successful niche in a competitive market that is shrouded in national-security secrecy.

But tiny Insitu is hardly a “David vs. Goliath” success story. In fact, it’s more like a “David-Goliath Strategic Alliance” narrative. One of the reasons that Insitu has maintained its success is the close relationship Sliwa has fostered with the two biggest business pillars in the state, [Boeing](#) and Microsoft; many of Insitu’s top engineers have come directly from both corporations. Insitu’s best-selling aircraft, the ScanEagle surveillance UAV, was developed through a joint partnership with Boeing, which markets the planes directly to the U.S. Department of Defense.

The fact that Insitu has already done most of the development legwork in UAV research has also given Boeing entry into a sector with high development costs. While many other drones used by the military—such as the Global Hawk by Northrup Grumman and the Predator by General Atomics—can cost from \$15 million to \$35 million per plane, the price tag for each ScanEagle is a thrifty \$100,000. Weighing about 40 pounds and with a wingspan of just over 10 feet, the ScanEagle features inexpensive, off-the-shelf technology; a simple Sony Camcorder, for instance, is used for its video feeds.

“There are a lot of UAVs out there,” Sliwa says. “We bring to Boeing agility and low cost.”

Insitu also enjoyed financial benefits through the Boeing deal. Last year, the company secured \$23 million in Series C funding from a group led by [Battery Ventures](#) and [Second Avenue Partners](#), both of which now have representatives on Insitu's board.

"The strategic alliance really helped open the door for us," Sliwa says. "We used this relationship as leverage to gain capital investment while retaining ownership of intellectual property. It has worked great for Insitu and for Boeing."

To read more about Steve Sliwa, pick up [Seattle Business Monthly](#), on newsstands now.

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