

Client: Salvo Technologies  
Project: Zaffiri Precision Acquisition Case Study  
Date: 8.30.21



## **Background**

Zaffiri Precision is a manufacturer of high tolerance metal components including electrooptical assemblies, PVD parts, and tooling and aftermarket accessories for the firearms industry. It boasts a full-service shop, with 31 CNC machines turning out high-quality, precision-cut parts sold business-to-business as well as on the company's website, through its wholesale dealer network, or for private label sale.

The company started as a side project for Stephen Zaffiri, an enterprising, recent college graduate with a mechanical engineering degree, who was working as an apprentice building molds in a tool and die machine shop. He was approached by a friend asking if he could modify the slide for his firearm, which Stephen did after business hours with his employer's equipment and permission. His work was good enough that new requests began coming with greater and greater frequency. Stephen saved his money, soon purchasing his own CNC machine that he was operating in a rented space in the corner of his employer's shop. Over the next year and a half, he acquired four more CNC machines, as well as two employees, to help him run his now full-time operation.

## **Deciding to Sell**

With word about the quality of his company's work spreading like wildfire on social media, Stephen quickly found himself inundated with orders. He was working from 5am to 11pm every day, and desperately needed help finding additional employees and a larger space for more machines than his 1200 square-foot rental space would allow. A friend of Stephen's who worked in the optical industry told him about Salvo and urged him to connect with Salvo's leadership to discuss the possibility of an acquisition. After meeting with Salvo vice presidents John Dougherty and PJ Bass, the pair decided that Stephen's expertise in machining would be an excellent addition to their in-house capabilities. The fact that Stephen already had a line of products and a profitable operation was a clear additional bonus.

Stephen credits his success in business partly to keeping an open mind at the possibility for positive change. With the offer of acquisition on the table, it didn't take him long to realize the potential for the future of Zaffiri Precision with the financial, hiring and mentoring support of Salvo Technologies.

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## **The Acquisition**

After agreeing to move forward with the acquisition, Stephen was surprised at the speed with which the process moved. In October 2019, just about two months after their initial discussion, the acquisition was final. Throughout the process, he was impressed with the honesty and guidance he received from John and PJ. They explained each aspect of the deal plainly and honestly, demonstrating to Stephen that they were acting in his and his company's best interest.

Stephen and his then three-person staff moved into their new 12,000-square foot facility. Infused with fresh capital, Zaffiri Precision's line grew from five to 31 CNC machines. With the demand for orders exploding, Salvo's leadership helped expand Zaffiri Precision's staff to 40 employees working in three shifts, six days a week.

## **Conclusion**

Today, in addition to retaining his title as president of Zaffiri Precision, Stephen is also the executive director of manufacturing for Salvo Technologies. He still spends most of his time working on the business that he built from a side project, but now also oversees tooling and fixturing projects for the other Salvo companies.

After joining Salvo in 2019, Zaffiri Precision more than quadrupled its revenue in the first year. And the company is on track to double this figure in 2021.

For the future, Stephen has a desire to move away from daily operations to focus on higher-level strategic planning and be more involved with the mergers and acquisition process. As part of a larger and growing group of companies, Salvo Technologies affords him this opportunity.

"I have thoroughly enjoyed the ride that I've been on the last year and a half," said Stephen. "Both PJ and John are top notch at everything they do, including business, strategy and leadership. They didn't change anything about my company, provided me with all the capital I needed to do what I wanted, and guided me to build our 2<sup>nd</sup> and 3<sup>rd</sup> shifts. Before joining Salvo, I was in the position where I was making a lot of money, but needed help in the form of employees, capital and space to operate. They promised me all of that and they delivered on it."