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A GUIDE TO THE GREATER FORT MYERS BUSINESS INDUSTRY

Local firm an international player**BY MICHELLE L. START**

Florida Weekly Correspondent

Nestled along I-75, Fox Electronics has maintained a low profile locally for 28 years but has become a major international player.

Providers of oscillators and crystals, the electronic components that make gadgets like MP3 players and satellite radios function, the company has some 10,000 customers. In 2006, the company had more than \$40 million in sales and shipped 100 million units. Some of the biggest Fortune 500 companies purchase their supplies from Fox Electronics, but the privately-held company does not have a single client in Fort Myers.

Started by the father of company president E.L. Fox, Jr. in the family garage in 1979, Fox Electronics has always called Lee County home and has maintained its global headquarters here.

"He partnered with a Japanese firm," said Fox.

The company has more than 100 items in their product line. However, the low-end products are manufactured in Asia, where wages run about \$90 a month. The company has a presence in China, Korea, Taiwan and London. Much of the research happens at their Seattle office. The company spends about \$100,000 a month on research, according to Fox.

But their latest product, the Xpresso, is produced in Fort Myers and company executives believe it will take Fox Electronics from being ranked No. 10 in their field up to the No. 2 position within the next four years.

"With the Xpresso, we can configure it and get them samples within 24 hours," said Herbert Chaney, vice president of business development. "It takes our competitors six to eight weeks to get them samples of custom oscillators. We need a lead time of one day. It is the future of our company."

An oscillator is a circuit that produces an alternating output current of a certain frequency determined by the characteristics of a circuit component. The frequency that it produces is comparable to a human heartbeat. Without the heartbeat, a person ceases to function. Oscillators account for about 35 percent of the company's sales.

"It can go into almost anything," said Fox. "It can go into servers that run a business or CAT scans. It can be used in test and measurement equipment, in telecommunications and hard disk drives. The reason they need it so fast is that they are building prototypes."

Fox said engineers and designers might be in the midst of building a satellite or computer but are uncertain of the exact frequency they need on an oscillator.

They can custom order several different frequencies of the Xpresso and have them shipped there by the following day instead of waiting six to eight weeks.

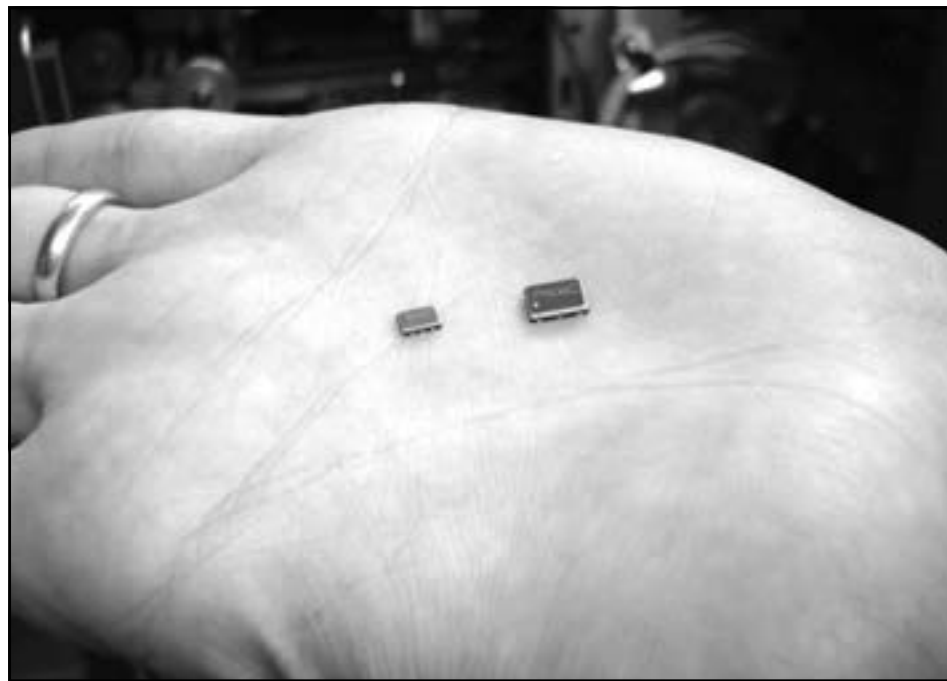
The end result is that prototypes are ready for market faster, beating out competitors and making money for business owners.

"Traditionally there was an eight week wait time to receive the part and then they would find out that it was the wrong frequency," said Chaney.

The company began giving away 15,000 of the Xpresso during the fourth quarter of 2006 and orders began rolling at the beginning of 2007. By July,



Gene Trefethen of Fox Electronics, center, accepts the Industry Appreciation Award at last week's Horizon Council Industry Appreciation Luncheon. On the left is State Sen. Burt Saunders and on the right, Fox Electronics President E.L. Fox Jr.



Programming Center manager Terry Quake holds two of the Xpresso oscillators in his hand, showing that they come in varying sizes.



Company president E.L. Fox talks about the company's newest product, Xpresso.

Fox Electronics was shipping 43,000 units a month and that number jumped to 88,000 in August. By mid-September, more than 101,000 units had already been shipped to big name companies. Each part carries a serial number and is fully trackable.



Herbert Chaney, vice president of business development, shows the company's progress since the technology bubble burst in 2000.

"We have the capacity to program 500,000 units a month," said Fox. "Within 12 weeks we could ramp that up and do 1 million a month. We are forecasting a major expansion here and in Asia over a five-year period. It is a very exciting time when you think about where we



PHOTOS MICHELLE START

Programming Center Manager Terry Quake



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A machine, operated by programming center manager Terry Quake, punches out the new Xpresso oscillators.

have been with the technology bubble."

Fox Electronics watched sales drop by more than 50 percent when the technology bubble burst in 2000. They recently received the Blue Chip Business award which recognizes companies that faced adversity and emerged from difficulties successfully. When the technology bubble burst, 10 of Fox Electronics' competitors went out of business. ■

Products that use Fox Electronics parts

- >>20 percent peripherals
- >>18 percent computers
- >>15 percent telecommunications
- >>12 consumer products
- >>7 percent medical equipment
- >>5 percent storage devices
- >>5 percent security devices
- >>4 percent hand-held products
- >>4 percent military products
- >>3 percent testing and measurement devices

Areas devices are shipped to

- >>46 percent the Americas
- >>41 percent Asia
- >>13 percent Europe, Middle East and Africa