

Aerospace co. credits move for revenue jump

Photo Etch's fortunes have improved since moving to a bigger site

BY MARGARET ALLEN STAFF WRITER

Fort Worth-based Photo Etch has seen its first-quarter sales jump 30% over the same time a year ago and expects the trend to continue through 2005.

Photo Etch co-owner Randy Fry credits in large part the company's move a year ago to a new, larger manufacturing facility phasing in lean manufacturing practices to improve efficiency and cost savings, and adoption of a quality-management system. The company also is spending \$300,000 a year on new capital equipment.

The plant operates now from a 50,000 square-foot leased building at 5600 Blue Mound Road on the north side of Fort Worth. That's made it possible for the defense subcontractor to win larger jobs from the major military and commercial aircraft manufacturers and their prime subcontractors, Fry said.

"I was in an old dilapidated building and it just wasn't conducive to good manufacturing. It was falling down around us," Fry said. "People told me after we moved that they would never have given me a million-dollar contract in my old building. Now they will."

He owns 30% of Photo Etch. A silent partner based in Florida owns the rest. Customers of the 45-year-old Photo Etch include The Boeing Co., Lockheed Martin Corp., Nothrop Grumman Corp., the U.S. Air Force and the U.S. Navy.

Defense components

Essentially a large job shop, Photo Etch makes aircraft cockpit components for defense contractors and commercial manufacturers. Each other typically runs 10 or 26 units each, and the company generally has 700 jobs on the plant floor at a given time, Fry said.

Boeing and the Defense Logistic Agency of the U.S. Department of Defense have audited and approved Photo Etch's quality-management system, which meets internationally recognized quality standards, Fry said.

Given the industry's ongoing trend to outsource production to smaller shops like Photo Etch, Fry is optimistic about boosting the company's business.

In the first quarter of 2005, Photo Etch had \$2.5 million in sales, up from \$1.95 million in the first quarter of 2004. Revenue in 2004 was \$8 million. That should run closer to \$10 million in 2005, Fry said.

About 50% of the business is manufacturing aircraft cockpit control panels, and 50% from making those panels for aircraft training simulators. In 2005 and 2006, however, Photo Etch will begin seeing \$700,000 in sales from making computerized electronic components for the cockpit panels.

"Five companies have already said we can have orders and they are starting to come in now," Fry said.

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NICHE PLAYER

NAME: Photo Etch
BUSINESS: Aerospace products maker
HEADQUARTERS: Fort Worth
LOCAL ADDRESS: 5600 Blue Mound Road, Fort Worth 76131
OWNERSHIP: Private
TOP EXECUTIVE: Randy Fry, president, CEO
EMPLOYEES: 85
LOCATIONS: 1
REVENUE: \$8 million in 2004
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