slowed it was also important for manufacturers to eliminate products where profits were below average, or products they were not competitively manufacturing.

Over the last few years, companies have eliminated classes of products or items that are sold to a customer base that they are not able to reach effectively. Examples are companies who have elected to eliminate military specification items, because of difficult manufacturing criteria and an unfamiliar marketing strategy.

A number of component manufacturers are also principally end item (system) manufacturers. Both very large and very small companies have elected to produce a number of their own component requirements. To enable competitive production most of these companies also sell to other companies (including their competitors). A number of system or end use manufacturers got into the component business in the 1980's when supply, not cost, was the concern. To insure availability they created their own manufacturing capability. For this reason many of these companies are now leaving the component business and have sold these operations.

Companies also manufacture components where the technology edge in their end item is a specific component(s). Technology protection is a driving force for in-house production, and a number of these companies (even where they wish to transfer production out) must produce internally to maintain quality.

SYSTEM /SUBSYSTEM MANUFACTURERS

Many of the companies included in this market study of the New England Commercial Electronics Industry are manufacturers of equipment for the computer/business equipment, telecommunications, energy/power generation, aerospace/defence, automotive/transportation, or medical industries.

Again, many of the companies manufacturing computer power supplies, jet engine fuel controls or fiber optic cable, do so as a division of a computer, jet engine, or telecommunications system company. Like the component manufacturers many system and subsystem manufacturers are leaving the market as their parent concentrates on its core business.

END USE PRODUCT MANUFACTURERS

All products are end-use relative to a customer sale. The term "end use" is intended to denote application of its intended function. Companies in this study falling into this category include manufacturers of:

Industrial Manufacturing Equipment