

Introduction

The New England Electronics Industry

Like most industries in New England, the commercial electronics industry has been affected by a slump in demand for products by foreign competition and by self-inflicted problems resulting from excessive growth, overhead or debt burden in the late 1980's.

As the mid-1990's near, companies that remain do so because of: conservative operation in the boom 80's, development of efficient manufacturing processes, creating unique market demand products, timely downsizing of employment and assets or consolidation/sale involving another company.

The following study reflects a significant shift in commercial electronics companies in New England. Few companies remain anywhere near what they were ten or even two years ago relative to their main products, customers or suppliers.

Companies that were highly centralized have decentralized; those that had a myriad of products now specialize in core products, having divested themselves of incompatible products. The opposite direction has also been followed with some very large companies consolidating administrative functions in a centralized location. The aerospace electronics industry and other threatened industries, including computers and audio/video have expanded their product base. The overriding belief of many New England manufacturers is that the level of change has not settled, nor is survival of a company insured past a year-to-year existence.

There are a number of bright spots in the New England commercial electronics landscape. The last few years have seen a number of growth companies flourish and many unconventional companies excel.

The New England commercial electronics industry may be influenced more than any other industry by the political/economic climate of nearly all states in the U.S. and industrialized countries in Europe and Asia.

A high percentage of companies are based in New England, but carry on the majority of their manufacturing in other regions or foreign countries. There are also a significant number of companies which are a division or subsidiary of a non-New England or U.S. corporation. The influence or control by a parent varies by company, but can create difficulty in initiating or maintaining a business relationship with the division or subsidiary.

While adjustments due to a poor economy are happening nationwide, New England has a greater number of companies who are concentrating on core businesses, closing facilities, reducing employment, and reducing production. The result of these changes