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An Original Equipment Manufacturer, EFE Laboratories Offers Build-to-Suit Capital Equipment through Cutting-Edge Skills and Industry-Leading Expertise, Meeting Electrical and Electromechanical Assembly Challenges for Customers' Success

**Industrial
Contract Manufacturer**

**EFE Laboratories, Inc.
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**Kip Anthony
CEO**

BIO: Kip's professional experience spans a wide range of industries which are heavy manufacturing/aerospace, food processing equipment, automotive, and aerospace. Among these, he has spent time with Schrader Bridgeport International, BE Aerospace, Cooper Industries, O.S. Kelly Co. (now a subsidiary of Steinway Musical Instruments), and others.

Kip's expertise with Lean manufacturing techniques reaches back to the earliest days of his manufacturing career, when he studied under a series of noteworthy mentors. These included an early aerospace pioneer and a Japanese protégé of W. Edwards Deming; together, they helped Kip to develop his own top-down Lean leadership methodology.

In addition to a B.S. in mechanical engineering, Kip holds an MBA (with a concentration in finance) from Ohio State and Ashland universities. With more than a decade of service to EFE—and in his current role as President—Kip is the ultimate facilitator of both customer satisfaction and strategic direction for the company.

**About EFE Laboratories, Inc.
Serving regional industry for over 50 years, EFE currently occupies a 16,000 ft² facility in Horsham, Pennsylvania.**

As an Original Equipment Manufacturer (OEM) offering build-to-suit capital equipment, the seasoned EFE team relies on cutting-edge skills and industry-leading expertise to meet ever-changing electrical and electromechanical assembly challenges. Additional capabilities include programming, design engineering, and providing operations support to startups and growing manufacturing enterprises.

Quality control/inspection/workmanship certifications include: UL-508A, IPC-A-610/WHMA-A-620, ISO 9001:2008 (includes inspection and functional test), J-Standard, and ETL/CSA compliance.

For the more than 250 companies served throughout our history, EFE has strived to offer mastery of applicable manufacturing methods and quality assurance protocols. We aim to deliver measurable value in order to enable customers—from startups to the Fortune 500—to leverage our expertise in pursuit of their product-design and business goals.

**Interview conducted by:
Lynn Fosse, Senior Editor
CEOCFO Magazine**

CEOCFO: Mr. Anthony, would you tell us about EFE Laboratories?

Mr. Anthony: EFE Laboratories is a manufacturing company as well as a design house of electro-mechanical devices. We leverage and offer this capability and capacity to the electronic device market. We build products for people who do not want to build the products themselves or we will help them design and program their electronic devices and then build them. Some people think of us as a contract manufacturer but we carry things beyond the point of the typical contract manufacturer.

CEOCFO: Are there particular types of products of focus for EFE Laboratories?

Mr. Anthony: We have a good segment of test equipment that we produce, and have another side of the business that is involved in communication and medical devices. We produce diverse products but have a few core markets that we are focused on more specifically. As a contract manager, I thought it was good strategy to diversify our markets to help mitigate some of the risk embedded in the business cycles.

CEOCFO: Would you tell us about your facility?

Mr. Anthony: The facility is located in Horsham, Pennsylvania. We have about 16,000 square feet structured in a cellular approach so we can assign jobs to an area that has been pre-constructed to operate as a cell. We continue to invest capital, year over

year, in upgrading the well-lit, modern facility. We are currently upgrading our ESD program as well as moving forward into FOD awareness, which is a requirement for aerospace and is related to foreign object detection.

CEOCFO: What do you know at EFE Laboratories that has allowed you to thrive and prosper?

Mr. Anthony: We have a tremendous advantage being a local company. A previous employer of mine produced aircraft seating in a North Carolina facility, yet we designed the product in Northern Ireland. We proved it could be done, however, “just because you can do something, doesn’t mean you should.” There are tremendous advantages in interpersonal relationships, sitting around a conference table with a white board and being able to brainstorm and see the benefits of that kind of synergy. The Internet, for all the things it allows us to do, still does not allow you to fully enjoy the benefits of body language, facial expressions and tonality. On the manufacturing side, America has one of the most productive labor forces in the world and when properly harnessed, focused and working in a team environment, I am comfortable taking on the world.

CEOCFO: Is EFE Laboratories’ long history still important today and how does it help when working with potential clients?

Mr. Anthony: It shows that we understand how to manage and work through the business cycles. We are the oldest contract manufacturer in this region, and therefore, people expect that we will be around to support their product in the long term. That provides a nice advantage, especially to major clients. If you are General Electric, you want the company making decisions on your behalf to be there to support you. It can be a Career Limiting error to select a partner that is going to be gone next year or even in the next 2 or 3 years. It also means that we have maturity and depth in our systems and procedures that typically do not exist in younger companies. We have been ISO certified for almost 12 years. There are

many certified companies but many of them came after us and ISO certification and processes have been improved with time. We are better than the typical ISO company in the fact that we have been ISO for that duration.

CEOCFO: Where do you see the most industry growth and are there any industries you would like to be involved in more?

Mr. Anthony: The medical and medical device industry is a continuing growth opportunity as our population ages and as technology advances in supporting that population. As the world continues to become more cognitive of our environment and the maintenance in working with our natural resources, the energy market and the evolution towards green energy provides opportunity as well. In the greater Philadelphia area there is a project called the EEB Hub, which is a

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- Kip Anthony

partnership between government and industry to develop an energy efficient building and show place. Opportunities of that nature and working in conjunction with other companies provide future market growth. There is some opportunity in aerospace as well. There is a technological movement that requires an increase in sophistication and capabilities. As long as you are willing to provide the capital investment, aerospace still provides a nice opportunity. For example, everyone is aware of the use of drones. Affordability and the fact that there are civilian applications broadens the market.

CEOCFO: What are some of the newer concepts and technologies in manufacturing that EFE Laboratories has taken advantage?

Mr. Anthony: In manufacturing technology, as a company we pursue the lean manufacturing methodology. That is a strategy that addresses most technologies. I see substantial growth

in the development and application of RF technology, high frequency communications that manifests in the commercial markets. For example, development and applications for Bluetooth headphones and more devices are wireless across the industrial, military and other types of markets. That is evolving and expertise represents a significant opportunity in the growth basis technologically. We should continue to see growth in the application of optical in video recognition as well. As systems become more capable on the software side, we are going to see continued refinement in bundling the technology to interpret forms of input—visual, audio and others—into systems for surveillance and managing activity and monitoring and controlling.

CEOCFO: Does you do much outreach for customers?

Mr. Anthony: There are always people to meet. We have a tremendous outreach program. I am involved in a number of professional groups, such as the EEB Hub. I also work with the Mainline Chamber of Commerce to help support local businesses in their devel-

opmental efforts. We also interface with government. I am participating in the Board of Directors for the SEPA Political Action committee. The goal of this pact is the advancement of manufacturing and trying to promote policies that are favorable to manufacturing in Pennsylvania, which provides outreach and connections. Beyond that, there is classic cold calling. We have a partnership through the DVIRC and a cold calling program that is effective for the company. I can list out about 15 other methodologies that we pursue. One of the things I do that is somewhat unique is my management team participates and networks through professional organizations. They bring back opportunities as well as insights into their markets and perceptions of value added into their individual disciplines.

CEOCFO: How is the pact doing?

Mr. Anthony: The pact has about 45 members right now and we are trying to facilitate a hearing with a few mem-

bers of the state senate in June. We will hopefully coalesce a large group of manufacturing companies in the region with the representatives of the state senate and have a “get to know you” meeting where we can understand what the state senate feels they are empowered to do and how they can help manufacturing. The state senate will be more aware of the some of the challenges that manufacturers have and hopefully facilitate a more collaborative environment.

CEOCFO: When working with new clients, do they understand EFE Laboratories’ capabilities beyond manufacturing? What is the “ah ha” moment?

Mr. Anthony: Most companies are looking for this immediate gratification, this quick dollar. From day one, they are worried about their dollars and their invoicing. They have an “ah ha” moment when they realize that we are investing in their business and we are not really getting anything out of it. This goes back to our core philosophy that our customers have to be successful for us to be afforded the opportunity of success. I am willing to invest in my customers to help them be successful. When they are successful, we will be successful together. They often do not expect that initial point when we invest. With our more established customers there is this ongoing realization that part of our mission is to keep them out of the frying pan, so to speak. We look ahead and problem solve for them to cover their blind spots and help them be more successful.

CEOCFO: When you are looking to

add people to the company, how do you ensure that they understand the corporate culture?

Mr. Anthony: I am involved with them directly and I interview many of them myself. We have a new employee today and I have been out with him already. I start to explain to them the differentiating characteristics about our company and what my expectation is. Our new employee is going to provide onsite service and I related this to him: When I take my car to a mechanic, a great garage will fix your car and then take it to the car wash. When you get it back, the car somehow has that luster of a new car. It is a little better than when you took it in and you feel good about it. We want to bring that little extra to what we put out and how we present to people. It is not just about making it work; it is about customers feeling good about it like they have real value for what they invested.

CEOCFO: What makes EFE Laboratories a unique company to investors and people in the business community?

Mr. Anthony: We have been fortunate enough as an organization that through our philosophy we are successful. We want to help other people grow and find that same success. Part of our mission is growing the industrial segment to create jobs and help build the basic foundation of the industrial segment within this region. It is not just about us. Over in Japan, corporations collaborate at a very strategic level. In this country, companies are typically more stand-alone. They do not tend to think on a strategic, col-

laborative basis. Small examples exist. There is some funding that we ran across to help small manufacturers facilitate training, so we created a small consortium of companies that pool the resource needs for technical training and create a more efficient expenditure with a broader and more proficient impact.

CEOCFO: Final thoughts?

Mr. Anthony: I had a recent situation with one of my customers. They would like us to hire someone that could be embedded in their team acting as a liaison between their design group and their manufacturing group to help pre-design and conceive test equipment. One of the people over there gave me a call and said, “You know, one of my concerns is that not every project is executed and you’re going to have people that are embedded in here with some design projects that the test equipment is never produced for. You may not be compensated for it and those will be losers for you.” I said, “You know, in a business partnership, both parties need to judge success by the strategic achievement, not the tactical failure.” In the larger picture, we are going to have many projects that are going to be conducted more smoothly and effectively, allowing you to get to market faster. If we have a few of them that do not realize a substantial financial opportunity, that is the wrong thing to focus on. There are going to be many that are win-wins.



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