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## Advanced Input answers demand Cd'A manufacturer expects another record year

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**Dennis Staver says the company has added more than 30 employees since completing its plant addition.**

Advanced Input Systems, the Coeur d'Alene maker of custom keypads and other input devices, says it has expanded its work force by roughly 10 percent since it enlarged its plant last year.

The company expects continued growth based on current strong sales.

Advanced Input, a subsidiary of Bellevue, Wash.-based aerospace and defense conglomerate Esterline Technologies Corp., is an original equipment manufacturer for major medical, military, aerospace, and gaming-industry customers.

"AIS is coming off a record year, and we expect it to continue to grow over the next year," says Dennis Staver, president of Esterline Interface Technologies, the Coeur d'Alene-based division of Esterline that operates Advanced Input and three other companies.

The manufacturing company has a work force of about 350 permanent employees at its 140,000-square-foot manufacturing plant at 600 W. Wilbur,

in north Coeur d'Alene, an increase of more than 30 employees since it opened a \$3 million, 54,000-square-foot addition last summer, Staver says. It also relies on a pool of up to 30 part-time employees during peak production, he says.

Staver declines to disclose earnings specifically for Interface Technologies or Advanced Input.

The parent company, though, recently reported strong performance for the first half of its current fiscal year. In the six months ended April 29, Esterline reported net income of \$75.9 million, on sales of \$806.1 million, an increase in earnings of 79 percent and a rise in sales of 12 percent compared with the year-earlier period.

Worldwide, Esterline has close to \$1.6 billion in annual revenue and 10,000 employees, Staver says.

"All of Esterline's operational units and platforms are doing well because of diverse products and customers," Staver says. "Right now, we don't have anyone having an off year."

Esterline's second-quarter earnings report groups Interface Technologies and three other divisions into its avionics and controls segment, which reported net income of \$75.9 million on sales of \$424 million in the first half of the company's fiscal year, equating to a 58 percent increase in earnings and a 16 percent rise in sales.

Although Esterline is known for serving the aerospace and defense industries, half of Advanced Input's production is capital equipment for the medical industry, a market that has proven almost recession proof, Staver says.

Some Advanced Input keyboards, for example, are designed with track balls, slide switches, and custom buttons for particular medical uses, such as operating magnetic resonance imaging (MRI) and computed-tomography (CT) equipment.

"The interface is the key when working with a machine that's doing something to a human," Staver says.

One technological advance Advanced Input has developed for a new market is a programmable button panel designed for the casino gaming industry. The panel enables casino operators to change functions and lighting displays of individual buttons to suit different games.

"It's something the industry had been asking for," Staver says.

The panel is in its third year of production, and sales have taken off in the last year, he says.

Esterline bought Advanced Input in 1999, making the North Idaho manufacturer the flagship unit of Interface Technologies, which is one of eight corporate divisions Esterline calls platforms.

Advanced Input delivers up to 50,000 units a month from a catalog approaching 2,500 specialty keyboards, keypads, other input devices, and related parts, Staver says.

Although Advanced Input claims to have pioneered some of the keyboard manufacturing systems that have become industry

standards, it's not competing with standard or bargain-priced keyboard manufacturers.

"Advanced Input Systems' products are highly engineered and specific for particular uses," Staver says, "Our customers' requirements and specifications can't be satisfied with a \$24 keypad."

Staver says Esterline chose to base its Interface Technologies platform at the home of Advanced Input because the North Idaho company, now 33 years old, is an industry leader in lean production of custom keyboards.

"One of our most entrepreneurial groups is here," he adds. "It develops new products quickly. We have innovations every day based on the customers' needs."

Advanced Input also has a skilled work force, with employee longevity that exceeds electronic manufacturing industry norms, Staver says.

"The average plant employee has been here 15 years, contributing to some of the highest metrics for on-time delivery and quality ratings," he says.

Advanced Input currently runs day, swing, and weekend shifts. "We can do more if needed," Staver says.

The Coeur d'Alene manufacturing plant has 18 stations called cells, each staffed with three to eight employees. Each cell is dedicated to assembling certain product families, and some cells can assemble three or four different products in a day.

Some of Esterline's top executives also are rooted in Advanced Input and Interface Technologies, Staver says.

Staver says he came to Coeur d'Alene from Esterline's Buena Park, Calif.-based Power Systems division to succeed Al Yost, who was promoted in 2009 to corporate group vice president overseeing Interface Technologies and three other divisions of Esterline.

When Yost earlier was promoted to president of Advanced Input in 2007, he succeeded Brad Lawrence, who now is Esterline's CEO.

Advanced Input has longstanding relationships with prominent medical equipment makers, including Germany-based GE Health Care and Siemens AG and Netherlands-based Royal Philips Electronics, that are part of the parent company's target customer base, Staver says.

Other operational units within Esterline's Interface Technologies are Memtron Input Components, of Frankenmuth, Mich.; LRE Medical GmbH, which has two manufacturing plants in Germany; and Esterline Input Devices Ltd., of Shanghai, China.

Memtron produces custom components such as membrane switches, rubberized keypads, and touch-screen integrated panels. LRE Medical makes components for medical analytical systems, such as in-vitro diagnostic devices and pharmaceutical technology applications.

Esterline Input Devices supports customers in Asia and provides manufacturing and material-management capabilities for customers worldwide with interests in products with Asian content.

Together, the companies within Interface Technologies employ 650 people, Staver says.

The parent company's other divisions produce electronic systems and materials mostly for the aerospace and defense industries. Each division is somewhat autonomous, which increases flexibility and reduces corporate overhead, he says.

Contact Mike McLean at (509) 344-1266 or via email at [mikem@spokanejournal.com](mailto:mikem@spokanejournal.com).