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# CHIP-TECH FILLS VOID IN ELECTRONIC PARTS SUPPLY

BY ERICA GALLAGHER

**C**hip-Tech Ltd. (CTL) doesn't really make anything per se, but for many in the electronics industry, it has made their lives easier. The firm was founded in 1989 with the desire to bring the distribution of electronic components to a new level. In an industry that includes tens of thousands of manufacturers, engineers and assembly houses, CTL was designed to fill a void

created by allocation, obsolescence and shortages in the parts supply line.

Today's CTL has evolved into a broadline stocking distributor with almost 50 franchised lines. CTL is also authorized to buy and sell product from more than 100 companies in the electronic components industry. This is why CTL is rapidly outgrowing its 12,500-square-foot corporate headquarters where more than 40 employees are employed.

During its growth, CTL has opened several regional sales offices, all targeting improved customer service and product supply.

Northeast Automation, a subsidiary of Chip-Tech, was created to bring specialization in subassemblies, cable assemblies and kitting. Northeast brought to the marketplace a dual advantage for Chip-Tech. Since its creation, it has broadened the range of customers that CTL can service and it has increased the products available to existing customers.

Chip-Tech's customers are diverse, according to Vice President Neal Stevens. "Basically, we serve any industry that makes electronic products – medical devices, controls, computers, palm pilots, phones and many others," he says. "Customers like us because we never say 'no' and we're always available – my phone is always on," Stevens says. "Whether the component is needed at the end of the week or the end of the day, if it can be gotten, it will be."

Recently, he recalls, one of its customers was performing a prototype run but was missing one vital component. What's more, only one known manufacturer produced the component. "The

## PROFILE

**Chip-Tech Ltd.**

**[www.chiptech.com](http://www.chiptech.com)**

**2002 Sales:** \$24.6 million

**Headquarters:** Farmingdale, N.Y.

**Employees:** 49

**Products:** Electronic components

**Neal Stevens, VP:** "Whether the component is needed at the end of the week or the end of the day, if it can be gotten, it will be."



customer called on their regular distributor and were told it would be six to eight weeks to get the part," Stevens explains. "They called us and we gave them a seven- to 10-day turnaround time. If a customer calls us and needs a product by the end of the week, we'll do what we have to – we'll check inventory, go overseas, call the manufacturer, call customers – pretty much anything to get the product."

CTL is ISO 9002 certified so quality assurance and on-time delivery have always been Chip-Tech's goals. "Every part that leaves our facilities comes with a CTL certificate of compliance," the company says. "CTL certifies that all products included in each shipment are in accordance with requirements, specifications and drawings referenced. In the event that CTL replaces a specified part with an alternate part, we guarantee 100 percent that the replacement part will perform, fit, form and function."

The semiconductor industry has certainly been lethargic in past years, but CTL says it has aggressively gone after growth and sales have increased. "If all continues as it's going, we could double in 2003," Stevens says. "Most of our competition has laid off people where we've been hiring more customer support and sales people and pursuing areas in which there is business."

Stevens predicts CTL will achieve "massive growth due to effi-

ciency and flexibility. We are not like the big guys, we bend to meet the customer's needs and work our programs as such.

"Take Johnson Controls, for example, a maker of car seats, interior systems and batteries as well as environmental control systems for commercial buildings. Johnson Controls has been so happy with Chip-Tech, it named it supplier of the year in 2000, and for the last three years, it has named it one of the firm's top-five suppliers. In turn, CTL shows its suppliers it appreciates their efforts. We are very close with our suppliers. For years, we have invited local suppliers to holiday parties and even have a vendor appreciation day. They're a key part of our success."

Looking into the future, CTL is looking to add stocking facilities for its customers in border towns of Mexico and Texas. "These will contain customer-specific inventory as well as generic inventory for other customers. The generic inventory will come through vendor consignment programs, Stevens says. "We have two storage plants in negotiations right now. Contracts are moving and things look good for next year." **MT**

#### PANASONIC MEDICAL AND INDUSTRIAL CAMERA

Pride Electronics, a Chip-Tech Ltd. company, has been a Panasonic Medical and Industrial Camera master distributor for many years.