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TOP 50 FASTEST GROWING COMPANIES

Manufacturing expertise

Cypress Industries is unique in that it makes electronics, metals and plastics

SHELLEY SEALE / CONTRIBUTING WRITER

For a company that opened its doors one week after Sept. 11, 2001. Cypress Industries Ltd. came through its startup phase with flying colors and has expanded since then.

A self-funded venture, Cypress Industries spent the first year putting its infrastructure in place and getting its name out in the market. CEO Tom Lonsdale recalls the many long hours that paid off after the early years.

"We put in a lot of capital equipment and infrastructure," Lonsdale says. "It took six to nine months to get moved and up and running. Trying to stay focused during that time was a challenge."

Record revenue growth in 2004, a 400 percent increase over 2003, prompted staff and space expansions. Going from 4,000 to 14,000 square feet of office and manufacturing space and increasing from a staff of three to 20 didn't happen overnight.

Cypress Industries manufactures electronics such as fiber optic and copper connectors, cables and components, custom tooling and plastics in the United States and China.

The company is unique in that it manufactures electronics, metals and plastics. Few companies handle all three.

Offering product design, prototyping and testing also brings the company a lot of business from inventors. Cypress has added staff with expertise in those areas to accommodate customer needs and has expanded its operations in China, where

Less than \$10M average revenue

CYPRESS INDUSTRIES | 2

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TOP EXECUTIVE: Tom Lonsdale

NET REVENUE:	2002	2003	2004
	\$591,462	\$1M	\$3.9M
EMPLOYEES:	2002	2003	2004
	4	6	16

most of the company's large-scale manufacturing is done.

The global business economy is vital to most manufacturing firms. According to the Electronic Industries Alliance, the radical reorganizing of manufacturing along global lines has posed unprecedented challenges to the industry.

The United States has emerged as a globally recognized leader in technological development.

"The best hope for the U.S. to maintain its edge against rising global competition is by fostering and expanding our most prized intellectual asset: innova-



SARAH KERVER / ABJ

CEO Tom Lonsdale aims Cypress Industries Ltd. to be a one-stop shop for customers.

tion,” says Dave McCurdy, president of EIA.

“Japan, the European Union and., more recently, China have made considerable progress in successfully adapting features of the U.S.’ innovation model in an attempt to gain parity with or even challenge the U.S.’ competitive edge.”

New forms of global production, such as the equity ownership Cypress has in its China manufacturing offices, have boosted productivity and yielded cheaper, better, more powerful products.

Cypress has clients worldwide. Eighty percent of the company’s customer orders originate from its Web site, which receives about 1,000 unique visitors per day.

While Cypress has many customers in Texas, Lonsdale says: “A lot of inventors and companies in Austin still don’t really know about us.”

Lonsdale aims for Cypress to be a onestop shop for its customers, making it easy for

them to take their products from design to market in the time frame desired.

The University of Texas Longhorn band relied on this expertise and response to time-liness for the renovation of Big Bertha, the world’s largest bass drum. The drum was in dire need of new metal drum head clamps, which keep the drum surface taut.

Many of the existing clamps were missing or had been replaced with odd-sized clips that didn’t match the originals. The Longhorn band wanted exact replicas so Big Bertha could be restored to original condition in observance of the 50th anniversary of “her” arrival on campus.

Budget and an aggressive deadline constrained the project: the clamps were needed by the start of football season.

After going to several companies unable to manufacture the clamps in time, the Longhorn band contacted Cypress. Cypress created the tool required to make the parts in a week, and the clamps were then poured

and formed. Cypress shortened a months-long process to four weeks — just in time to make the game deadline.

“I never thought it would be such a daunting task,” says J.P. Kirksey with the Longhorn Alumni Band.

“For the first time in many years, all 76 clips [are] the same. That is quite an accomplishment and one that would not have been possible but for the incredible creativity, commitment and persistence displayed by ... the supporting crew at Cypress.”

In appreciation, the Longhorn hand recognized Cypress Industries with an award before the Rice University game on Sept. 17.

Lonsdale says he is proud of Cypress’ corporate culture and values employee happiness. Employees aren’t pigeonholed into one niche, but rather cross-trained.

“We want this to be a place where you want to come every day and have fun,” Lonsdale says.