
Florida Trend

The Issues, People and Ideas that Define Florida Business

An appetite for 'American Made'

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Stuart-based RF microwave component maker Coaxial Components is capitalizing on the favorable perception of American products abroad.

The 18-employee company, known as Coaxicom, makes military-grade connectors, adapters and cable assemblies used in sophisticated communications systems. For several years, customers had switched to cheaper Asian-made products, but the company says the lower quality eventually turned customers off. “There’s an industry out there that’s looking for quality products and made in the U.S.A.,” says David Leiman, company founder and president. “Now in the international market ... companies are no longer going toward the low-price products.”

Coaxicom, which has seen a 500% increase in sales to Chile, for example, is not alone in benefiting from the trend. Between 2000 and 2011, exports manufactured in Florida grew 143%, and small businesses like Coaxicom account for 67% of the state’s exports.

Although overseas customers have purchased from Coaxicom since a few years after its 1984 founding, it has done little active marketing outside of a couple of European countries where it has independent sales representatives. Mainly, Leiman says, “people found us.” That’s what happened in Chile, for instance, where Coaxicom’s main customer is the government. But when another company approached Coaxicom about making private-label products for sale in South America, Leiman and his team began researching the market. Ultimately, he decided to hire an internal team devoted to international sales.

For the most part, Coaxicom, whose parts typically sell for between \$5 and \$10 apiece, is looking for independent sales representatives or authorized distributors in other countries. The company expects that approach will help it mitigate some of the risks of doing business outside the U.S. Risks include the cost of international collections on sales that tend to be small — between a few hundred and a few thousands dollars each. Also, because Coaxicom’s parts have military applications, the company has to know exactly who its users will be. It’s easier for a local company to do that vetting.

Leiman says the potential sales justify dealing with those hurdles. Right now, international business makes up only about 20% of Coaxicom’s revenue, but he’s so confident in its growth that he’s looking to more than double the company’s current space.
