

Firm's niche: 'Too vital to fail'

Aerospace, medical gear built in AV

By JIM SKEEN
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PALMDALE — Senior Systems Technology specializes in assemblies customers cannot afford to have fail.

Whether it's a radio to help downed military pilots avoid capture and get rescued, medical gear to allow doctors to adjust pacemakers over a phone line, or equipment to put energy from a windmill into a power grid, the assemblies the Palmdale company produces have to work.

"We build 'high-cost-of-failure' assemblies — assemblies that, if they failed in the field, would cause harm to human life or have a pretty negative effect financially to our customers," said Gregg Mozdy, the company's vice president of business development. "There is a demand for a company that can build to that level. The customer has to be confident that it's not going to fail."

So far this year, the company's first pass yields — the percentage of newly built units that work without modifications — is 97.5%. Its return rate because of failures is only 0.002%.

"We pay attention to details," Mozdy said. "We try to make every customer feel like a big fish in our little pond."

A good example of the company's work is the satellite radios it makes for Boeing. Boeing de-



Senior Systems Technology

HANDS-ON HIGH TECH — From front to rear, Isidro R. Hernandez, Jose Medina, Jorge Vanegas and Graciela Diaz work on a wireless product assembly for the commercials market.

signed the radio; Senior Systems does the assembly and testing work.

With the radio, a pilot shot down behind enemy lines can transmit his exact location as a beacon for rescuers. The equipment allows for secure two-way communication. The pilot can describe his physical condition and exchange messages with the rescue command center about enemy strength, location and rescue plans.

Senior Systems has built more than 50,000 radios for Boeing. Boeing in 2007 named Senior Systems as one of suppliers

of the year, earning 100% ratings in quality and on-time delivery.

"It's like winning an Oscar," Mozdy said. "It's been a good program. We hope to build future generations."

The company's products include:

- Heart patient monitors for St. Jude Medical, which allows doctors to monitor and adjust pacemakers through a phone line. A small transmitter, about the size of a telephone answering machine, can be kept on a patient's table at home or on a desk at the office.

- Assemblies for a company

that makes signal jammers to thwart improvised explosive devices.

- Assemblies for a flight simulator.

- Conversion units for a wind energy company. The units convert the electricity generated by a windmill into a usable format for the power grid.

Senior Systems was founded in 1982 and operated out of Chatsworth. The company moved into a new \$6.5 million plant at 600 Technology Drive in Palmdale in 1998.

It has 145 employees.

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VITAL: Company does about \$40-50 million in annual sales

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"The outlook over the next year and beyond is for positive growth," Mozdy said. "Toward the end of this year we expect to be hiring."

The plant is 130,000 square feet in size, with 100,000 square of manufacturing space.

The company does about \$40 million to \$50 million in annual sales.

About 60% of its work is aerospace- or defense-related. Other markets they serve include medical, clean tech and complex

commercial/industrial.

Senior Systems is looking to diversify and add more balance to complement aerospace and defense.

The company also is looking to diversify geographically — most of its business comes from Southern California.

The company recently hired a sales representative for the Pacific Northwest and added another direct sales manager in the Southwest.

Senior Systems is also looking to grow through acquisitions, Mozdy said.

"We're looking for companies that are stand-alone profitable, have a good customer base and a strong team of good employees base," Mozdy said. "We're looking for value in an acquisition — companies that can help us diversify and add capability we may not already have."