

# electronic design

The Authority  
on Emerging  
Technologies for  
Design Solutions

07.09.09  
electronicdesign.com

THE  
TOP

# EMPLOYERS IN ELECTRONIC DESIGN

THE  
TOP  
50  
EMPLOYERS  
IN ELECTRONIC DESIGN



# KEY COMPANIES SHAKE UP THIS YEAR'S TOP EMPLOYERS

It's a tough time for the industry, but several companies have grown and even thrived despite the recession. A closer look beyond the numbers shows how they achieved their success.

It's been a rocky year, with unprecedented layoffs and even company closures. Few employees, from executives down to entry-level engineers, feel secure in their jobs. But some companies did see success in 2008, as indicated by our annual survey of the Top 50 Employers in Electronic Design.

For the sake of objectivity, our survey focused on available financial data of publicly traded companies. Our calculations drew from numbers like employee growth, sales growth, number of patents, stock price, and R&D budget, including bonus points for firms that did well in our 2008 Reader Survey. (For a look at our process, see "The Methodology Behind Our Choices" at [www.electronicdesign.com](http://www.electronicdesign.com), *ED Online* 19019.)

The leading companies should be no surprise. Apple topped the list for the third year in a row, followed by repeat entries from the likes of Cisco Systems, Microsoft, Juniper Networks, and Seagate Technology (see the table). These companies weathered the storms and are positioning themselves for growth in 2009.

Yet the real story lies not in the companies that held the line but in those that thrived. Adtran, Altera, Broadcom, Eaton, and Pitney Bowes all saw huge gains on our list, moving up by 40 or 50 places each between 2007 and 2008. What did these companies have that so many others didn't—and how can your firm replicate their success? It comes down to key markets, like telecommunications and power, and smart management.

## BROADCOM MAKES ITS MOVE

Based in Irvine, Calif., Broadcom surged 59 slots up our list, vaulting from 66 in 2007 to seven in 2008. Considering the current telecom boom, driven by “triple-play” services and smart phones, that’s no surprise. In fact, it’s no wonder this manufacturer of semiconductors for wired and wireless communications stands by its core mission statement: “Connecting Everything.”

Broadcom’s products enable the delivery of voice, video, data, and multimedia to and throughout the home, the office, and mobile environments (Fig. 1). The company claims the industry’s broadest portfolio of state-of-the-art system-on-a-chip (SoC) and software solutions, which it sells to makers of computing and networking equipment, digital entertainment and broadband access products, and mobile devices.

It also is one of the world’s largest fabless semiconductor companies, with more than 3100 U.S. and 1400 foreign patents and more than 7600 additional patent-pending applications. This gives Broadcom one of the broadest intellectual-property (IP) portfolios in the industry (ranked in the top five) and provides a major competitive advantage. Its three major target markets are broadband communications, mobile and wireless, and enterprise networking.

Broadcom did well in a broad range of criteria, scoring a five or higher in virtually all categories as well as two points or more improvement in sales growth, pretax income growth, pretax income margin improvement, year-over-year change in patents issued, and ratio of closing stock price to high stock price. The company also received four bonus points based on the 2008 Electronic Design Reader Survey.

Broadcom’s diverse products can be found in digital cable, satellite, and IP set-top boxes, media servers, high-definition TVs and DVD players, cable and DSL modems, wireless local-area networks (WLANs), cell phones, and mobile multimedia devices such as video iPods. One of its specialties is chip integration, or the placement of multiple functions on one chip, providing end-to-end solutions for its customers.

The company sits in a sweet spot given the ever increasing demand for chips. Almost every semiconductor that the company makes is used for broadband Internet or wireless phones, two consistently growing markets. A large part of the potential upside for the company comes from Broadcom’s plan to push into the wireless space, where the company gets just 5% of its revenues.

Already, the Bluetooth and Wi-Fi in Apple’s iPhone use Broadcom chips, and so do handsets made by Nokia and Samsung. Verizon uses Broadcom’s 3G solution, and 3G services remain a huge growth opportunity.



1. The BCM11107 processor from Broadcom features multimedia capabilities that integrate an LCD controller, video decode capabilities, and support for sharp 2D graphics.



2. The Stratix series of FPGAs and the HardCopy series of ASICs represent two key components in Altera’s line of products.

In the broadband segment, the company is the leader in Ethernet semis, with greater than 40% market share. Broadcom also is the number-one semi provider for cable set-top boxes and WLAN equipment, and it is number two in satellite set-top boxes.

Both from a technology and growth perspective, the “combo” wireless chips introduced in 2008 have major potential. These chips combine different functions such as Bluetooth, Wi-Fi, FM radio, and GPS on one chip. This is a huge cost-saving proposition, and it has not been widely adopted.

According to Broadcom, only 5% of smart phones use combo chips for Bluetooth, WLAN, and FM, but the company expects that figure to reach 75% in the next three to four years. Broadcom believes these chips and associated software solutions have the potential to contribute 10% of 2009 total sales, based on the customer interest it has seen.

Broadcom’s 2008 acquisition of Advanced Micro Devices’ digital TV (DTV) business now enables it to offer a complete DTV product line covering all market segments. Emulex, which makes controller chips, adapters, blades, and connectivity solutions for the corporate data center, has rejected a hostile takeover attempt by Broadcom. If they can reach a deal, it will mean more upside in this space for Broadcom.

Risks include recessionary cycles and slowdowns in its end-user markets, although these markets appear to continue to show rapid growth. And while its fabless model has several advantages, it also limits control over delivery schedules and production costs and methods, even though a standard CMOS process is used. The Asian foundries Broadcom uses have suffered from earthquakes and power outages, and pandemics are always a labor concern.

A further risk is that almost 36% of 2008 sales were made up by its top five customers, such as Apple and HP. The company keeps driving this percentage downward. Yet if Apple decided to use a different chip supplier for its iPod, for example, Broadcom could face a significant problem. Broadcom supplies a key component of the iPod, a video-multimedia processor chip, making around \$8 for each iPod—that’s significant, considering iPod sales figures.

## ALTERA TAKES PLD COMMAND

Altera Corp. saw a similar leap forward, catapulting 57 places from its 86th finish in 2007 to 29 in 2008. In 1984, the San Jose company invented the world’s first reprogrammable logic device (PLD), which is an IC that customers can program to perform multiple functions.

**With our commitment to innovation, our value of leadership and our drive for excellence, Broadcom is a center for entrepreneurial challenge in communications technologies. We invite you to explore our career site to learn more about numerous opportunities at [www.Broadcom.com/careers/](http://www.Broadcom.com/careers/).**

## TOP 50 EMPLOYERS

COMPANY	TOTAL COMPANY LINE SCORE	2008 RANK
1. APPLE INC.	81	1
2. CISO SYSTEMS INC.	80	6
2. MICROSOFT CORP.	80	5
4. JUNIPER NETWORKS	76	3
5. SEAGATE TECHNOLOGY	72	46
5. EMERSON ELECTRIC CO.	72	15
<b>7. BROADCOM CORP.</b>	71	66
8. EATON CORP.	70	51
8. IBM CORP.	70	46
8. NATIONAL INSTRUMENTS CORP.	70	37
8. SYNOPSIS INC.	70	31
8. WESTERN DIGITAL CORP.	70	21
13. MOOG INC.	69	42
13. QUALCOMM INC.	69	42
13. NETWORK APPLIANCE INC.	69	17
13. ITT CORP.	69	12
13. HEWLETT-PACKARD CO.	69	9
13. ROCKWELL COLLINS INC.	69	3
19. HONEYWELL INTERNATIONAL CO.	68	23
19. RAYTHEON	68	23
21. TYCO INTERNATIONAL INC.	66	58
21. HARRIS CORP.	66	7
23. CATERPILLAR INC.	65	37
23. DANAHER CORP.	65	17
23. EMC CORP.	65	2
26. GENERAL DYNAMICS CORP.	64	35
27. AGILENT TECHNOLOGIES INC.	63	23
27. LOCKHEED MARTIN CORP.	63	12
29. ALTERA CORP.	62	86
29. XILINX	62	70
29. SAIC INC.	62	58
29. PARKER HANNIFIN CORP.	62	50
29. THERMO FISHER SCIENTIFIC INC.	62	37
34. PITNEY BOWES INC.	60	76
34. ROCKWELL AUTOMATION INC.	60	65
34. GOODRICH CORP.	60	32
37. NCR CORP.	59	61
37. AT&T INC.	59	32
37. L-3 COMMUNICATIONS HOLDINGS INC.	59	28
37. UNITED TECHNOLOGIES CORP.	59	17
41. LSI LOGIC CORP.	57	81
41. ANALOGIC CORP.	57	75
41. 3M CO.	57	68
44. ADTRAN INC.	56	95
44. SPX	56	28
46. LEXMARK INTERNATIONAL INC.	55	61
46. INTEL CORP.	55	21
48. ANALOG DEVICES INC.	54	51
48. MEDTRONIC INC.	54	12
50. JOHNSON CONTROLS INC.	53	28



This contrasts with ASICs, which can only be programmed once by the manufacturer to perform only one function. The added adaptability makes PLDs more valuable, since they can be used multiple times for different projects. However, PLDs are slower than custom-designed silicon solutions.

Altera's PLDs are standard ICs that allow customers to program and personalize the application of the chip to provide market differentiation. The company serves more than 13,000 customers in four primary market segments: communications, industrial, consumer, and computer and storage.

Its main products are the Cyclone, ArriaGX, and Stratix series of FPGAs; the MAX series of complex programmable logic devices (CPLDs); the Hardcopy series of structured ASICs; and the Quartus II software (Fig. 2). The HardCopy process transitions the FPGA design, once finalized, to a form that is not alterable to reduce design security risks.

The Stratix families are larger, faster devices, with more features than the Cyclone families. They also cost more. Stratix IV FPGAs made Altera the first PLD company to ship devices at the advanced 40-nm node. The GX parts contain dedicated high-speed serial transceivers. The Cyclone and Arria families comprise lower-cost, smaller devices meant for less demanding applications.

Leading to this success, Altera has done a very good job of managing its financials while continuing to gain market share and improve its return on equity, which is a tough balancing act.

While scoring a five or higher in many ranking categories, Altera showed a two-point or more improvement in employee growth, sales growth, pretax income growth, pretax income margin improvement, and ratio of closing stock price to high stock price, offset by a four-point loss in year-over-year change in patents issued.

The programmable logic market, both FPGAs and PLDs, has gross margins in excess of 60%. It's controlled by Altera and its competitor Xilinx, the FPGA founder and market-share leader. The two companies concede a small market share to Lattice Semiconductor, Actel, QuickLogic, Atmel, and Cypress Semiconductor. Lattice represents less than 10% of the market. FPGA makers Actel and QuickLogic sell to a lower-end market segment that Altera mostly does not address.

In broader terms, Altera competes with ASIC, structured ASIC, and zero mask-charge ASIC companies like eASIC. In recent times, FPGAs and structured ASICs have become powerful enough to compete head-to-head with DSP devices, microcontrollers, and virtually every other embedded product. Moore's Law and improving software tools are rapidly expanding potential markets for FPGAs.

Altera and Xilinx have a combined market share of over 80%, with Altera somewhere around 35%, so it may have more room for growth. While both offer PLDs, their products are different enough that their chips can't be used together in the same device. Engineers using these chips must invest time to learn proprietary software tools used to program the PLDs, creating very real switching costs. As a result, it is difficult for Altera to attract customers from Xilinx and vice versa, so the competition is in the design phase.

Both companies make chips that can be programmed to perform any function you want. Basically, they make "blank slate" chips that can be configured to implement any logic function that you can imagine. In fact, Intel uses huge boards made of tens of these chips

to ensure that their logic works before they get their CPUs fabricated into silicon. Smaller ASIC companies have become smarter over the last decade and make prototypes of their chips (using programmable logic) before they start mass production.

Attracted by the high margins, many companies have tried to compete with the "Big 2" such as Intel, Motorola, AT&T, and AMD, but all have failed. Although the business is profitable, it is also mature. If you try to increase market share, you most likely will decrease your margins.

Altera has also benefited from a shift from ASICs to PLDs. Historically, most of the chips in the semiconductor industry have been ASICs because of their lower per-unit costs (assuming substantial production), while PLDs were used more for prototyping, where the reprogrammability of the chips is most valuable. The ongoing shift toward PLDs is being driven by several factors.

First, the cost of PLDs is falling due to technological development associated with their manufacturing. Next, electronics have shorter life cycles, so the buyers using PLDs see less benefit in customizing ASICs. The shorter life cycle reduces the long-term benefit of ASICs (cheaper per unit), and the developmental cost to ASICs exceeds this benefit in the short term.

Third, more advanced chip manufacturing technology adds a premium on ASICs. The complicated designs increase the chance of failure during production, making ASICs cost more. Finally, the PLD market is still relatively small compared to the ASIC market, so PLD market growth needs to continue for Altera to keep growing profitably.

A bit less than 80% of Altera's sales are generated overseas, especially in Japan, and its silicon wafers come from Taiwan. Even though the company focuses on currency hedging and pays for most materials and services in U.S. dollars, political, currency, and regulatory risks always exist that could disrupt business.

In addition, Altera relies mainly on Taiwan Semi for silicon supplies, and over half the product cost of the chip is in the silicon. Any significant silicon shortage would severely impact delivery dates and profit margins.

## ADTRAN CONNECTS TO SUCCESS

Adtran saw a big bump as well, rising 51 slots from 95 in 2007 to 44 in 2008. It began operations in 1986 following AT&T's divestiture of the regional Bell operating companies (RBOCs). This created an opportunity for companies such as Adtran to supply network equipment to the seven RBOCs as well as the more than 1300 independent telephone companies in the U.S.

The company is a global provider of networking and communications equipment. Its end-to-end solutions are deployed by some of the world's largest service providers, distributed enterprises, and small and medium-sized businesses. These more than 1700 products enable voice, data, video, and Internet communications across copper, fiber, and wireless network infrastructures.

Adtran's Carrier Networks division has product and service offerings specifically for Ethernet and Internet Protocol-based networks. Service providers such as AT&T, Verizon, and Qwest use Adtran equipment to connect central offices or remote terminals directly to the subscriber's terminating equipment.

The Enterprise Networks Division supplies small and mid-sized businesses, as well as distributed enterprise customers with the internetworking equipment needed to create sophisticated local-area networks (LANs) and wide-area networks (WANs). Adtran's products are made available through a network of global resellers and distributors. The company is based in Huntsville, Ala.

Adtran showed year-over-year improvements in just about every category used in our rankings. It also showed improvements of two points or more in employee growth, sales growth, pretax income growth, pretax income margin improvement, long-term debt to shareholder's equity ratio, closing stock price to high stock price ratio, and R&D expense growth. In addition, it scored five bonus points from the 2008 Electronic Design Reader Survey.

Keep in mind that this year's rankings are in some cases strongly influenced by the recession and negative economic climate. Companies can improve their rankings, not necessarily by strong results on their own, but by relatively weathering the negative economic impacts more fortuitously than their brethren. In Adtran's case, it also produced very positive results on its own.

Adtran is well positioned for growth in both wireline and wireless broadband access as well as optical access, especially as it relates to the "last mile," the final leg of delivering connectivity from a communications provider such as a cable or phone company to a customer.

Enterprise networking is also a substantial growth area, as the need keeps growing with businesses continuing to spread themselves out globally, with more branch locations, numerous remote offices, and even home offices and mobile workers. In addition, enterprises are more "fluid" than ever. An employee may be working at the main campus one day and from a remote location the next. This means all work centers are now business-critical and require consistent, secure, high-performance IT networking services.

The company's Total Access 5000 broadband multi-service access and aggregation platform is currently approved by 60 carriers, including the top eight in the United States (Fig. 3). Several of its NetVanta networking products won innovation awards, Editor's Choice, and Product of the Year awards from leading IT publications.

*Fortune* magazine named Adtran to its "40 Best Stocks to Retire On" list and noted it as one of five newcomers featured in its Small Wonders list. Also, *Forbes* again named the company one of the "200 Best Small Companies



**ADTRAN**

3. The Total Access 5000 multi-service access and aggregation platform from Adtran enables carriers to address the demand for greater bandwidth with a breadth of copper and fiber solutions using GPON, bonded ADSL2+, and VDSL2 for multiplex service delivery.



4. Eaton technology could be found in eight of the 17 trucks that descended upon Washington, D.C., during last month's Hybrids on the Hill event, demonstrating the role the technology can play in competitiveness, green jobs, and reduced pollution.



Over the last eight years, Eaton has evolved from an industrial manufacturing company in the automotive industry to a technology company, focusing on diversified power-management solutions. Since the 1930s, Eaton has grown through acquisitions and continues to do so, acquiring nine companies in 2007 and six companies plus a joint venture in 2008.

The company has stated that it is still underrepresented in Europe and Asia and continues to look to acquire companies there. On the other hand, Eaton has not hesitated historically to divest itself of non-performing businesses or those that don't fit within an updated corporate strategy fairly quickly. It financed two key acquisitions, Phoenixtec Power and the Moeller Group, through an equity offering, not debt.

Phoenixtec Power Company Ltd., a Taiwan-based manufacturer of single- and three-phase uninterruptible power-supply (UPS) systems, was acquired in February 2008. The Moeller Group, a Germany-based supplier of electrical components for commercial and residential building applications and industrial controls for industrial equipment applications, was acquired in April 2008. Both companies are now part of Eaton's Electrical segment.

With these acquisitions, about 55% of Eaton's revenues now come from international customers. Eaton has experienced 25% growth in Latin America and Asia. Around 20% of revenues come from developing economies, which are attractive to Eaton because of growth in infrastructure projects.

Eaton received the CALSTART Blue Sky award in 2008 for its work in developing and commercializing hybrid electric and hybrid hydraulic power systems for commercial vehicles. This area has real growth potential in terms of providing significant savings in fuel costs and reduced emissions for customers, especially those who use vehicles that start and stop or idle a lot.

Companies like Coca Cola, UPS, FedEx, and WalMart are using this hybrid electric technology in their trucks (*Fig. 4*). Truck and bus manufacturers in Europe and Asia are also coming on board. Meanwhile, Eaton superchargers enable automakers to improve both power and fuel efficiency.

Applying Eaton's latest TVS supercharger technology, Audi has replaced the V-8 engine in its S4 and A6 models with a smaller V-6 that maintains the larger engine's performance while delivering 27% better fuel economy and a 30% reduction in emissions. Ford, General Motors, Jaguar, Land Rover, Mercedes Benz, and Volkswagen are also customers.

In Brazil, Eaton helped Fiat move quickly to create the market's first true offroad small SUV crossover vehicle, the Palio Adventure Locker, with Eaton's pushbutton ELocker traction control for front-wheel drive. Designed to increase safety and performance over poor roads, the product was an immediate success with consumers in the region, prompting Fiat to launch three more variations of the SUV.

Eaton is now the second largest producer of UPSs in the world. Its "intelligent metering" helps customers, such as offices or apartment buildings, become more efficient in their use of power.

The company provides more than 800 hydraulic, fluid, and fuel-related components for the new Airbus 380, which has been

2008," a ranking based on return on equity, sales growth, and profit growth over both a 12-month period and a five-year period.

According to market intelligence firms Dataquest and International Data Corporation, Adtran currently holds revenue-leading positions in the integrated access, frame relay/DDS, ISDN extension, and HDSL/T1/E1 network and access markets. The company is ISO 9001 and TL9000 certified as well.

The largest risk to Adtran would be a complete slowdown by major carriers and businesses with respect to IT spending related to networking and broadband access. While these effects tend to mirror economic cycles, hopefully we have seen the worst of the current recession. Business and consumer demand for these products and services continues to increase.

Another risk is the fact that 62% of Adtran's 2008 revenue comes from four customers: AT&T (24%), Qwest Communications (16%), Verizon (12%), and Embarq (10%). For example, to better focus its tech strategy, AT&T is cutting its list of vendors from about 150 companies to somewhere around 40. There is speculation that while Adtran has a strong hold on AT&T's high-speed DSL business, it could run the risk of losing the optical race to companies like Fujitsu or Alcatel-Lucent.

## EATON POWERS INTO TOP 10

Eaton Corp. moved up from its 2007 position at 51 to eighth place in 2008, leaping 43 places. This diversified power-management company specializes in electrical components and systems for power quality, distribution, and control; hydraulics components, systems, and services for industrial and mobile equipment; aerospace fuel, hydraulics, and pneumatic systems for commercial and military use; and truck and automotive drivetrain and powertrain systems for performance, fuel economy, and safety.

Once highly dependent on making drivetrains and other engine parts for the auto and heavy trucks sectors, this Cleveland company has cut auto and truck-related sales, shifting its focus to other areas such as power management for data centers and hydraulic systems for jets. It does business in more than 150 countries.

Eaton achieved line scores of six or better in every category except the bonus points awarded based on the Electronic Design Reader Survey. The company also showed two points of improvement or better in sales growth, long-term debt to shareholder's equity ratio, year-over-year change in patents issued, closing stock price to high stock price ratio, and R&D expense growth.

20% more fuel efficient than other large aircraft and very reliable so far. Eaton is pursuing similar programs for the Boeing 787 Dreamliner and the Embraer Phenom 100 and Phenom 300, helping to lower customers' overall operating costs.

In 2008, Eaton won multiyear contracts for the new Embraer Legacy series and Cessna Citation Columbus 850 business jets, the Bell-Boeing V-22 Osprey tiltrotor aircraft, the Boeing CH-47 helicopter upgrade program, and the Rolls-Royce Trent XWB jet engine development program designed for the Airbus A350 XWB family. The company also is a key systems supplier on the Lockheed Martin F-35 Lightning II Joint Strike Fighter, the new Sikorsky CH-53K helicopter, and the UH-60M Black Hawk upgrade.

What could derail Eaton besides the recessionary economic impact on its end-user markets? First, it must ensure that all of its acquisitions are seamlessly integrated into the rest of the company. Eaton also must not overpay for these companies. If a mistake is made, Eaton must move quickly to correct it or divest.

Second, since Eaton uses many common raw materials and basic metals in its production, its must make sure it has enough inventories to hedge against any material shortages or commodity price increases. Silver, steel, and iron are recent examples.

Third, Eaton faces much established competition in its markets from United Technologies, Danaher, American Standard Companies, Rockwell Automation, Textron, Cooper Industries, Johnson Controls, Honeywell International, Illinois Tool Works, ITT Corp., and Parker-Hannifin. It must continue to develop innovative products, either internally or through acquisition, that keep it ahead of the technological curve and their competition

## PITNEY BOWES DELIVERS

Incorporated in 1920 as the Pitney Bowes Postage Meter Company, today Pitney Bowes (PBI) is the largest provider of mail processing equipment and integrated mail solutions in the world. It saw big changes in the last couple of years, helping it to climb 42 slots from its spot at 76 in 2007 to 34 in 2008.

The company conducts activities in seven business segments within its Mailstream Solutions (U.S. Mailing, International Mailing, Production Mail, Software) and Mailstream Services (Management Services, Mail Services, Marketing Services) groups. It is based in Stamford, Conn.

Even though its employee growth was negative due to a restructuring program begun in 2007, sales were up slightly. The restructuring program worked, as the company showed improvements of two points or more in pretax income growth and pretax income margin, as well as year-over-year change in patents issued and closing stock price to high stock price ratio. Its stockholder's equity was in a negative balance position at the end of 2008, though, which is never a good thing.

U.S. Mailing is PBI's largest single revenue category at 35% of total, while the combination of International Mailing and Management Services makes up another 37% of total revenues. In essence, half of the company's revenues comes from the sale and operation of postage meters (Fig. 5). PBI has over 2 million customers globally. This segment is heavily regulated by national governments, which creates high barriers to entry and protects PBI's virtual monopoly.



## Pitney Bowes

5. The DM525 digital mailing system from Pitney Bowes automatically feeds, seals, posts, and stacks up to 150 letters per minute. High-speed LAN connectivity allows mailers to link to Pitney Bowes for 24/7 access to confirmation services, software updates, and USPS postage rate changes.

PBI controls about 80% of the U.S. postage meter market and about 65% of the international market. Competition consists of French company Neopost and Francotyp Postalia of Germany. While the lack of competition is a positive and PBI's revenues in this segment are 4.5 times greater than its nearest competitor, the problem is that there is no growth in this market. With the advent of Internet-based advertising, it is actually slightly declining.

PBI was helped by the 2007 change in domestic postal regulations to "shape-based postage pricing," which accounts for the shape of mail, as well as its weight. Shapes that can be processed easier will cost less. As of 2008, international mail is now subject to the same "shape-based" rules. Products like PBI's "Shape Based Sizing Template" help mailers determine the most cost effective "shapes." In addition, demand for machines that will process the most effective "shapes" will increase.

To grow, PBI has had to look outside its traditional postal meter market into areas such as document services, including letter production and design software, postal facilities management, and outsourced marketing. From 2000 to 2007, PBI has spent around \$2.5 billion on 83 acquisitions in these areas, including companies like MapInfo and Digital Cement. In April 2008, PBI acquired Zipsort, a mailing presorting and metering company.

The acquisitions have focused on location intelligence, customer relationship management (CRM), Web-based tools for customized promotional mail and marketing collateral, print management services, electronic discovery services and litigation support, imaging equipment, high-end mail sorting, facility management of print/mail/copy centers, and other areas.

PBI also is partnering with E4x, the New York City global e-commerce company. Using the E4x platform, PBI can simplify everything from cross-border transactions to the shipment of merchandise outside the U.S., giving domestic and international shoppers a common online experience, instantly calculating end-to-end costs in the buyer's local currency.

Then, with PBI's new international package solution from its Mail Services business, customers can expedite delivery, getting purchases through customs and into the hands of buyers that much faster. This strategic partnership, in combination with leveraging PBI's core business, makes a lot of sense as an example of a future growth opportunity.

The risk lies in the fact that while these acquired companies present growth opportunities, it's a relatively new phenomenon for PBI. Not only do these companies have to be integrated smoothly into PBI, there is no government regulation, and low barriers to entry create competition in its market segments, something PBI is not used to facing. 