Fujitsu overseas production moves to Richardson site

BY JEFF BOUNDS I STAFF WRITER

Bucking a trend, two units of Fujitsu Ltd. are moving most of the manufacturing of several key product lines from overseas to the company’s Richardson campus, creating 67 jobs here.

Fujitsu Network Communications, or FNC, a Fujitsu unit that makes telecommunications and networking equipment, is shifting much of the work on two key products, the FLASHWAVE 4500 and the FLASHWAVE 7500, from Japan to Richardson, where the company is based.

In addition, FNC is taking over manufacturing of broadband and fiber-access products from a sister company, Fujitsu Telecommunications Europe Ltd. That work is also being moved to Richardson.

Meanwhile, FNC is moving in-house the logistics of taking back disk drives that its customers return. Those logistics have previously been handled by a third-party vendor.

Officials of FNC say the shift in locales of manufacturing will result in lower costs and closer proximity to customers, enabling the company to respond faster to clients’ needs.

“Manufacturing in Richardson gives Fujitsu a competitive advantage, and we’re moving here to capitalize on that,” says Barrie Hall, vice president of manufacturing.

Used primarily for moving phone calls, data and video through fiber-optic networks in large metropolitan areas, the FLASHWAVE 4500 is one of FNC’s largest revenue generators among the business’ 15 to 20 products. FNC moved part of the manufacturing of the 4500 to Richardson in 2005.

Jimmy Yu, director of optical transport research at the Dell’Oro Group in Redwood City, Calif., says that in the first quarter of this year, the 4500 and a sister product, the FLASHWAVE 4100, together accounted for about $124 million in revenue for Fujitsu in North America.

The FLASHWAVE 7500, meanwhile, rang up revenue of roughly $64 million in the first quarter, according to figures from Yu. The 7500 is used to move data, phone calls and video via light.

Yu says that the North American market for “optical transport equipment” was about $1.05 billion in the first quarter in North America. Fujitsu was the leader in that space, with about 18% market share, Yu says.

Fujitsu’s customers include Verizon Communications and AT&T.

MADE IN AMERICA

NAME: Fujitsu Network Communications
BUSINESS: Manufactures telecom equipment
HEADQUARTERS: 2801 Telecom Pkwy, Richardson 75082
OWNERSHIP: Unit of Fujitsu Ltd.
TOP EXECUTIVE: Satoshi Ikeyuchi, president and CEO
EMPLOYEES: 1,300 total, around 1,000 in Richardson
ANNUAL REVENUE: N/A
PHONE: 972-690-6000
WEB: http://us.fujitsu.com/telecom

OUT OF THE BOX: Fujitsu Network Communications is moving large amounts of manufacturing of two key product lines from overseas to its Richardson headquarters. Shown are, from left, Alan Dorr, Barrie Hall and Frank Horner.