

Intermodal Update

Harmon broadens its customer base

Harmon Industries, Inc., which calls itself "the nation's most fully integrated supplier of railroad signaling and communications devices," wants to extend its reach to the

entire transportation industry. Robert E. Harmon, president and chairman of the Kansas City, Mo.-based company, recently recapped a series of moves the company has made in this direction.

He said Harmon in 1985 had positioned itself for a growth strategy by redeeming its majority (51%) ownership from a Swedish

conglomerate and, in a subsequent public offering, retiring a significant portion of the debt incurred during the redemption.

Last year, Harmon made three important diversification moves. In February, the company purchased key products of ENSUN, a Houston company making communication controls for automated inspection systems as well as locomotive fueling systems. In July, Harmon bought a 22.7% share of Phoenix Data, Inc., an Arizona manufacturer of data conversion and data acquisition products used in military, aerospace, and industrial applications. And in September, Harmon acquired all outstanding shares of Modern Industries, Inc., a Louisville, Ky., manufacturer of railroad signal equipment, flashing lights and other devices.

Harmon was also busy internally last year. It installed a new Calay Computer-Aided Design/Computer-Aided Manufacture (CAD/CAM) circuit board design machine. It introduced the Harmon data radio which allows railroad controllers to relay detailed messages with precise train operating instructions to the locomotive engineer in text form on a display device. It also introduced a microprocessor interlocker system that eliminates relay in signal systems, as well as a Universal Code Emulator a microprocessor-based system that can emulate and replace older existing telemetry systems used for the remote control of signals and switches with the added capability of converting to a higher speed more secure system.

All of this, says Bob Harmon, is in keeping with the trends of the times: "The railroad companies of the future are going to be transportation holding companies, and we want to position Harmon Industries to be a high tech supplier to the rapidly evolving transportation industry of the future. Last year, we made great strides.... This year we expect to make even bigger ones."