



Overview

JML Optical Industries, Inc. is a privately owned designer, manufacturer and distributor of precision optical components and systems located in Rochester, New York.

For more than 30 years, JML Optical has continuously served domestic and international original equipment manufacturer (OEM) customers in the commercial and government sectors with high-quality optics, from prototypes through high-volume quantities. The company works in all segments of the optics industry, from lens design and manufacturing, to coating, metal parts, assembly and testing.



The introduction of the “JML Direct” catalog more than a decade ago has allowed the company to provide products to users of standard, off-the-shelf optical components. Combined sales of catalog and OEM products (excluding subsidiary turnover) have grown substantially over the years, and now total approximately \$14 million.

JML Optical Industries has 85 employees, some of whom attend Monroe Community College (MCC), pursuing degrees in physics or precision-optical fabrication and testing. JML counts on MCC and Rochester Institute of Technology for many of its highly skilled employees.

The company has a direct sales force that travels to assigned territories on a regular basis, and is represented by manufacturers’ representatives in the western United States, Europe, South America and Asia.

The two-story corporate headquarters in Rochester is home to all procurement, engineering, manufacturing, sales and quality assurance activities. The 72,000-square-foot headquarters also houses a complete precision-optical fabrication shop geared to providing relatively short manufacturing lead-times associated with small to medium volume and prototype or "proof-of-concept" contracts.

History

JML Optical was founded in 1972 by President Joseph M. Loboazzo II, who started the company in his basement after working as an East Coast salesperson for Ilex Optical for several years. Loboazzo later moved the company to a section of the Optical Gaging Products facility on Hudson Avenue, and in 1979, he bought the building that housed his former employer, Ilex Optical.

Over the years, JML Optical has supplied optics for a wide range of applications, including applications in the printing, micrographic, medical and healthcare, and semiconductor industries.

Since inception, JML Optical has served more than 3,000 customers. The company has the technical resources to serve users with top-level specifications who require a completely designed and engineered optical system.

Customers with their own optical designs work with JML Optical to manufacture timely prototype units in Rochester, often before beginning full-scale production with an approved subcontractor.



Other purchasers ask JML to design and apply a customized thin film to already ground and polished substrates, or perform designated secondary operations such as polishing or centering to customer furnished materials.

JML Optical's philosophy of partnering with offshore suppliers, rather than attempting to compete with them based on price alone, emerged as a critical success factor for the company and customers in the 1970's — and still is today.

During the rapid annual increases in sales in its first 10 years of operations, JML Optical initiated highly successful partnerships with several optical manufacturers in Japan — a strategic initiative that allowed proprietary or customer optical designs to be subcontracted cost-effectively.

These same partnerships continue to grow today and now include optical manufacturers in many parts of the world. Today, some 45 percent of JML Optical's business is in Rochester, while 55 percent of it is offshore. This allows the company to have a formal no-layoff policy for its Rochester operations, including highly skilled technicians that the company seeks to retain.

JML Optical has also adopted a “gain-sharing” plan, giving employees a percentage of the profits of all parts made on the shop floor.

Situation Analysis

JML supplies numerous OEMs throughout the world. OEMs include Rochester's traditional Big Three — Eastman Kodak Co., Xerox Corp., Bausch & Lomb Inc. — as well as local firms Pictometry and Optical Gaging Products.

Other top OEMs include semiconductor suppliers KLA-Tencor Corp. and Applied Materials Inc., computer supplier Videk Ltd., and Israeli high-tech firm VisionCom.

The company has also supplied optical systems for a variety of non-traditional customers, including the Church of Jesus Christ of Latter-day Saints (the Mormon Church). The Mormon Church purchased JML Optical equipment to distribute to missionaries as they catalogued genealogical information across the globe for its Family History Library in Salt Lake City, Utah — the largest genealogical library in the world.

JML Optical is expecting to grow its business considerably over the next 12 months. The company recently made four new hires, and expects to add as many as a dozen new employees by fall 2005.

The firm is also undertaking a feasibility study regarding a possible expansion into a new headquarters facility in the Rochester region. It is currently eyeing a 110,000-square-foot facility and expects to make a decision within the next six months.

JML Optical's ultimate goal is to boost revenues from \$14 million this year to \$20 million in the next three years or less.

Conclusion

For 32 years, JML Optical has been a significant part of the optics and imaging cluster in the Rochester region. As local economic developers seek to support and grow this cluster in the future, their work and interaction with area optics shops like JML Optical will be critical.

JML Optical officials seek to grow their company in the near-term, not only by adding employees and possibly moving to a larger location, but by expanding markets as well. They see significant opportunities for optics in the biometrics sector and other life sciences applications.

In addition, JML Optical President Joe Lobo is recognized as a prominent business leader committed to Rochester's economic future. Mr. Lobo has been honored for his dedication and commitment to his company, employees and the Greater Rochester community numerous times in recent years.

In 2003, he won the Herbert VandenBrul Award from Rochester Institute of Technology's College of Business. The award recognizes an individual who successfully

developed a business that improved the Rochester economy or whose innovative management skills have changed the course of an existing business.

On Sept. 23, 2004, Mr. Loboizzo will be honored by the United Way with their highest honor, the Alexis de Tocqueville Society Award for his many philanthropic contributions to the community.