

CESAR-SCOTT, INC.

Products produced by Cesar-Scott, Inc., a leading manufacturer of wire harnesses and cable assemblies, electro-mechanical assemblies, electronic gas igniters and switch harness assemblies, are used in the appliance, automotive, custom and electronic markets. Cesar-Scott also distributes cable management products for contract manufacturers, original equipment manufacturers, and original design manufacturers.

Cesar-Scott was founded in Minneapolis in 1988 by Cesar Gustavo Farell and Scott Schmidt, who had been fraternity brothers while attending the University of Minnesota. Schmidt had been working as a financial planner at IDS and took over the sales responsibility for the new company. Farell, who had worked as a project engineer for Honeywell took on the responsibility for product innovation and the processes for their manufacture.

After a couple of years, Farell wanted Schmidt to move to El Paso to solidify the company's growth but Schmidt declined and left the company, although the two men remain friends today. At this time, Farell met Francisco Armendariz, who was working as a quality engineer at the company that was manufacturing for Farell in Ciudad Juarez. Business was slow and Farell was considering pulling back the operation to El Paso and building the products himself when Armendariz offered to do the manufacturing from his garage in Ciudad Juarez. He now serves as general manager of the Ciudad Juarez, Mexico manufacturing facility.

In 1992, Cesar-Scott entered into a joint venture with Taiwanese manufacturer of silicon rubber keypads. This was the first of this type



of manufacture to move to Mexico and Cesar-Scott acted as the sales and administrative agent. The company, Jefferson Rubber/Tecnologia Rubber, was eventually sold to a European concern.

In 1993, Cesar-Scott entered into a joint venture with several partners, one of which was Ing. Oscar Miramontes, in the innovation and development of multilingual closed captioning software for encoding videos for television. Unfortunately due to lack of funding, Teknova Multilingual Captions had to close its doors. Farell and Miramontes continue their friendship while working together on different business opportunities to this day.

In 1995, Cesar-Scott won a contract to supply television harnesses for Toshiba. This resulted in a five year relationship that aided the company's growth. Other contracts soon followed, including a 'switch harness' contract for gas stoves produced by Harper-Wyman (now Burner Systems International) and a contract for automotive speaker cables for Oxford (now Harman International).

In 1995, Cesar-Scott invested its first dollars in the City of El Paso by moving its administrative offices and opening Sojourns Coffeehouse atop the old San Francisco Grill. Paula Farell, Farell's sister, believed it would be a good way to integrate the Cesar-Scott business into downtown El Paso. The coffeehouse lasted only five years and with all of the changes taking place, this leased second floor space and building was taken over by the city soon after Sojourns moved out in June 2000. While the city was at the beginning of its redevelopment plans, Sojourns was a little ahead of its time.

In 1997, Nova Marketing, a Texas-based electronics rep firm, asked Cesar-Scott to represent their semi-conductor principals in the territories of El Paso, Ciudad Juarez and Guadalajara.

In 2000, Cesar-Scott opened sales offices in Guadalajara to better service the Guadalajara Electronic Contract Manufacturing which was booming at the time. Ingrid Flores, Cesar-Scott's most senior employee, moved to Guadalajara to run the office. Within five years the rep industry changed so drastically that Cesar-Scott had to close its Guadalajara office.

During this period, and after closing the coffeehouse, Cesar-Scott moved its offices and warehouse in June 2000 to a 6,000 square foot leased space at 4731 Ripley Drive Suite B in El Paso.

The ups and downs of operating a successful business did not stop when Cesar-Scott's largest customer—and no less than seventy percent of Cesar-Scott's sales—went Chapter 11 and then Chapter 7 bankrupt in April 2004. Farrell, resilient throughout a twenty-five year career, was a firm believer that persistence, good management, and a little bit of faith would keep the company afloat. It did.

In April 2004, Cesar-Scott won a Hummer H3 lighting harness contract. At the same time, one of their vendors referred Cesar-Scott to their now largest appliance customer and this has taken their wire harness business to new levels.

The world economic recession of 2008-09 brought Cesar-Scott and many other companies almost to a halt, or worse, but with continued good management, the company was again able to prevail, even with this apparent insurmountable, uncontrollable setback.

By July 2013, Cesar-Scott was ranked among the 500 largest Hispanic-owned businesses in the United States by *Hispanic* magazine. The company celebrated its twenty-fifth anniversary in 2013 by introducing a new advertising and sales promotion tag line: wire harnesses and cable management products.

Cesar-Scott, after acquiring and learning the processes to build electronic gas igniters, introduced its first OEM products in 2014, NXT ignition modules for gas stoves.

At this time, Cesar-Scott moved into a new development and growth phase that would see annual sales grow from \$2.2 million in 2010 to more than \$4.5 million in 2014.

Cesar-Scott employs eighty persons in its El Paso headquarters and manufacturing facility in Ciudad Juarez. A number of employees have played key roles in the growth of the company, including Francisco Armendariz, Paula Farrell, Laura Mendoza, Miguel Barrera, Bertha Ramos, Myriam Robles, Ingrid Flores, Ricardo Aguirre, Velia Fernandez, Fernando Moreno and Claudia Carrillo.



Although not employees of Cesar-Scott, the firm is indebted to the contributions of Don Trendera, Oscar Miramontes, Bob Sherwood, Matt Welch, Juan Bezanilla, Max Frederick (may he rest in peace), Fran Sippel, Jim Faflik, Al Ryan, Allen Cou, Tom Brest, Dave Maslowski, Emilio Rivera, Dan Lezotte, Henry Castillo, Stuart Roberts, and Tom Walsh.

Cesar-Scott moved in 2015 to 1731 Myrtle Avenue, an 18,000 square foot corporate, sales, administrative, warehousing and valued added-cable management products facility, within the El Paso Downtown Empowerment Zone (EZ) area. The company chose to move its U.S. operations here to again show its commitment to the city while bringing it closer to its manufacturing facility in Ciudad Juarez.

Cesar-Scott's involvement with local organizations has been vital since its foundation. The firm has teamed with a local engineering design company and developed strong local customers. Cesar-Scott has participated in local trade shows, supply chain business events, minority business programs and local career fairs. Many of the Cesar-Scott employees are graduates of The University of Texas at El Paso and the company has developed products with the assistance of UTEP College of Engineering and received assistance from Texas Manufacturing Assistance Center (TMAC) in obtaining ISO9001 and ISO14001 certifications. Cesar-Scott is active in the Greater El Paso Chamber of Commerce, El Paso Hispanic Chamber of Commerce and El Paso Better Business Bureau.