

IDAHO BUSINESS REVIEW

A word with Tom Loutzenheiser of Preco

By: [Anne Wallace Allen](#) June 6, 2016



*Tom Loutzenheiser (left), vice president of business development and marketing at Preco Electronics, speaks with John Allison, vice president of supply chain at Preco, in the company's radar testing chamber in May.
Photo by Patrick Sweeney.*

Tom Loutzenheiser is vice president of business development for Preco Electronics, a Boise company that makes radar-based accident-prevention tools for heavy equipment.

All engineering and development takes place at Preco's headquarters in Boise, where 50 people work. The electronics are outsourced to manufacturers in the U.S., Mexico, or the Far East, and then the product is shipped back to Boise for final assembly, testing and shipment.

Preco is best known for the backup beepers that founder Ed Peterson started producing in the 1960s, selling millions of them around the world. The company sold its beeper division to Ecco Inc. in 2008, and now focuses on radar safety. Ed Peterson's son Mark Peterson is chairman of Preco's board.

Loutzenheiser, who was an advisor to Preco's board for about five years, worked for several tech companies including IBM and HP spinoff Extended Systems before he started Apex Technology in 1992. After that company was sold in 1999, he worked in venture capital before becoming CEO of Telemetric, a Boise company that was sold in 2009 to Sensus Metering Systems in Boise. He then worked at Cradlepoint before joining Preco last year.

Loutzenheiser sees a bright future for the use of radar-based safety systems in industry. Preco sells its cameras, monitors and radars to equipment manufacturers such as Caterpillar that install them on the machines they sell, and to trucking companies like UPS. The Republic Services Inc. garbage trucks in Boise have Preco radar systems on them.

Loutzenheiser spoke to *Idaho Business Review* about the safety market. The interview has been edited for length and clarity.

What do Preco's radar products do?

A radar alerts you immediately if something comes into your blind spot. A camera and monitor isn't active enough because it doesn't notify the driver when there is something there. Having a radar makes it active.

It's the same concept for a construction machine, or over-the-road trucking.

For Preco, the radar was a little bit of a pivot, and going into a product area that was at its beginnings and now it's just coming into a high growth phase. Early on, the company had to educate a lot of the market. Now, it's becoming more mainstream and accepted.

We're trying to position ourselves more as a collision mitigation company, for object detection and safety. We could see ourselves as just a radar manufacturer, but we sell direct to customers in the aftermarket, as well as to original equipment manufacturers. So because we sell to customers in the aftermarket, we have to provide solutions and not just a widget.

So we sell cameras and monitors and radar systems and integrated backup alarms. A couple of integrated backup alarms are integrated into a system that includes radar as a solution; we call those active safety systems.

Radar is our core competency but we have others we're going to develop. We're trying to reduce collisions and accidents.

Who uses Preco radars?

All of the brand-new UPS trucks, the biggest, heaviest trucks, have Preco radar. It's provided through Bendix, a big company in Cleveland that is our partner.

We also have construction, including John Deere, Caterpillar, and Aramco – waste and recycling, mining, gas utilities, the real heavy duty. We do everything but passenger cars. We've done some buses. We're No. 1 in the world, as far as we can tell, in terms of the heavy duty collision mitigation market, the object detection market, from a volume perspective.

Is the radar business as big as the back-up alarm business was?

The company was much bigger when it had the backup alarm business. The radar business is smaller but it's been growing fast. We don't disclose revenue, but we have been profitable every year for several years, and we are growing on average 20 percent or more a year, for the last five years.

Is Boise the right place for Preco?

Idaho is a great place for manufacturing products. Compared to the West Coast, the cost structure is pretty good here for buildings, power, facilities, and even labor to a certain degree.

We're not the cheapest place but we're not the Bay Area or Seattle. We're close to all those markets but we're a good mix. Our biggest challenge is finding engineers that understand radio frequency, or RF, engineering. We recruit nationally.

We hire a lot of general electrical engineers and thermal engineers. People are coming out of HP. There's a good mix of that in this valley.

What is the machine of the future going to look like?

If you look at any of the autonomous vehicles, whether cars or mining trucks, they all have lots of different sensors. There's this concept called sensor fusion, where you work together to make a smarter vehicle.

The human analogy is you have a sense of touch, a sense of smell, eyesight and ears, they all contribute to you being a safe navigator of the world.

There's the same analogy in autonomy. There are multiple sensors coming into play. The original equipment manufacturers are starting to do some of that on their machines. They're putting more and more powerful computers and controllers in there. There's a lot going on, we're working on ways right now that the different sensors might work together, and how does that expertise apply to working with a company like Caterpillar.

The only people who can pull this together right now are the manufacturers like Caterpillar. Mining companies are talking about it; they might turn to third party companies to help them with the software and brains and infrastructure. That's where you've got the potential for an ecosystem to develop to support them.

Will Preco be part of that?

We haven't defined what products we can provide. Software? Controllers? Intellectual property? This is all evolving.

There are things we do, and then we have our partners to help fill out the solution, because a lot of what we are doing is customer-driven.

It's about filling out our solutions and becoming the absolute leader in the market.