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## **BUSINESS COURIER**

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### ***West Chester firm wins Navy contract***

#### **Nova will build monitors to track enemy position**

**Lance Williams** Courier Staff Reporter

Nova Engineering is using technology to make battlefields safer for U.S. troops.

The West Chester company has been awarded a \$35 million contract through 2007 from the Naval Surface Warfare Center in Indiana to make hand-held monitors and sensors that soldiers can use to track enemy movements and other changes on the battlefield.

Traditionally, when troops want to find out about the enemy and their surroundings, scouts were given the dangerous mission of going ahead to gather the information and report back. Now, troops can use electronic sensors and monitors to gather information about their surroundings. Some of the sensors are the size of hockey pucks, while others are as large as footballs.

Once they are either placed by hand or dropped by helicopters, they can detect enemy troop or vehicle movements, as well as other vital information, said Michael Rauf, director of sales and marketing for Nova Engineering.

"It's much better than sending a scout out there," Rauf said.

He said the sensors are ideal for small groups of commandos that would be sent into an area to complete a specific mission. He said the group members can establish a network of sensors around them so they can watch for enemy movements while completing their tasks.

The contract is one of the largest for the 12-year-old company, Rauf said, and reinforces the firm's growing emphasis on military products. Nova averages about \$12 million in sales and employs 75 people.

Two years ago, Rauf said the company was focused on providing products to the commercial telecom market, but as that market began to dry up, the government's interest in its products began to grow.

Since its first contract with the Army in May 1992, Nova has worked with several branches of the military on various types of sensors and wireless network products. He said interest in those projects now has Nova competing with heavyweights like White Plains, N.Y.-based ITT Industries and New York-based L-3 Communications.

This latest contract is another step in Nova's slow-growth strategy. Rather than try to grow quickly, Rauf said the employee-owned company has taken great strides to stay small.

"We've really tried to live our own dream by limiting our growth," Rauf said from his office. "I'm sitting here in my shorts and sandals, and I would really miss that."

The company was started in 1989 and a core group of four engineers. By 1998, that number had grown to 42, and Rauf said company officials worked to keep that number from growing too fast.

"We've taken measured steps along the way," Rauf said. "We wanted to make sure we were adding people that could bring something to the company (rather than) just adding people."

In 1998, the company's owners developed an employee stock ownership plan that redistributed ownership. Rauf said all the employees owned stock in the company at the time, but it was distributed unevenly. The company took on debt to pay everyone for their stock, and then the stock was redistributed. Now, no one at the company owns more than 4 percent of the company.

"It was a way to give people more incentive," Rauf said. "Now, the employees can help determine how we grow."

Chris Arndt said the employees are a strong part of the company's link to its customers.

Arndt, an applications engineer for Innovative Concepts in San Luis Obispo, Calif., said his latest use of a Nova product is a wireless router that is helping run a wireless network 30 miles to an area barely covered by dial-up access.

"The people at Nova have bent over backward to help me out," Arndt said. He said some of the products can be more difficult to learn to operate than some off-the-shelf items, but the service and performance are tough to beat.

"When it works, it really works great," Arndt said.

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