

WyreStorm sees gold in cabling

Firm hopes to build brand with low-cost alternative

BY MICHAEL SHEFFIELD

WyreStorm, a Memphis-based multimedia cable manufacturing company, is throwing its hat into the growing high definition component market.

The company, started by Scott Fuelling, president of Phoenix Communications Corp., a high-end home theater sales and installation company, grew from his frustration with overpriced and low quality cabling for his customers.

WyreStorm Cable manufacturing
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WyreStorm manufactures industry-certified HDMI cables for home audio/video products and products used for ethernet cabling. The company manufactures cables that measure from six inches to 10 feet and cost \$30-\$70. HDMI cables provide the "single cable solution" that eliminates the need for multiple audio/video cables for components, as well as a cleaner, more secure digital signal from broadcasters and DVDs. HDMI cables

handle "digital handshakes" between source and recipient that keep signals from being pirated.

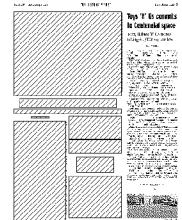
Fuelling originally decided to manufacture his own cables for Phoenix's use until he found out other companies in the industry were having the same issues. It isn't unusual for Phoenix's customers to spend up to \$25,000 on home theater systems, and cables could cost up to \$700 each. WyreStorm's goal is to give consumers an alternative to overpriced cables.

"We have a comparable cable that retails for \$40 and that's something we decided when we designed the line," Fuelling says. "We put an inherent quality into it."

The company launched officially in June with some samples to a small group of clients, and started a stronger marketing push in September at the annual Customer Design and Electronics Installation Association trade show. Fuelling says the cable products, manufactured in China, are extensively tested before being packaged. The company does the majority of its sales through its Web site and the Amazon.com store, but the products are available in custom installation centers and some independent audio/video dealers along the East Coast. The company currently has nine employees and is located in a 20,000-square-foot office/warehouse in Bartlett.

Christina Hansen is product specialist with CableOrganizer, a cabling and component sales company based in Fort Lauderdale, Fla., which sells cables to industry leaders like Monster Cable Products, Sony and Dynax. Hansen says the majority of the cost of HDMI cabling comes from the fact that the cables are gold-plated, in order to increase electrical conductivity, and that has led to a lot of overpricing in the industry.

"Some people feel comfortable paying more for Monster cables because they feel that's the mark of quality,



but we've got lines of cables that are very inexpensive that have the same gold plating," Hansen says. "It really depends on if it is certified because gold plating can be a plus, but you can find it in any price range."

Fuelling says WyreStorm's goal is to launch in more retail locations this year, but his focus is to steer business to the company's Web site through online tutorials.

"We wanted to keep people from getting gouged because there's already a lot of confusion and misinformation in consumer electronics unless someone takes the time to do research," Fuelling says. "With our dealer customers, the perception is (that) it is just another HDMI line until they get a taste of the quality. Then they get it."

David Turk, COO of WyreStorm, says the company's decision to exclusively deal in HDMI cables is a calculated gamble as the number of high definition products like HDTVs and blu-ray DVD players increase.

"HDMI came out immediately with high prices, but we can offer the same quality at a low price, and we're expecting competitors to come down to meet us because of our aggressive price point," Turk says. "We're trying to create brand recognition."

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Scott Fuelling

WyreStorm/Phoenix Communicaitons Corp.



ALAN HOWELL | MBJ

David Turk and Scott Fuelling hope to grow the Web and retail presence of WyreStorm cabling in the coming year.