

**BUSINESS PROFILE**

# Small Palo Alto designer helps develop big ideas

**THE BUSINESS:** Sparkfactor Design provides product development services to companies or funded individuals in the consumer, medical and industrial sectors. For larger companies it might provide strategic elements in the product development process. For smaller companies and startups, Sparkfactor often takes the company's product through the entire process, from initial concept studies to locating a manufacturer.

**CUSTOMERS:** Sparkfactor typically has 15 or so clients at any given time. Its clients include Apple Inc., Palm Inc., Flextronics International Ltd., Tesla Motors Inc., Varian Medical Systems Inc. and Bio-Rad Laboratories Inc. Sparkfactor has worked on the iMac and iPod and Tesla's Roadster.

**SHORT-TERM GOAL:** Sparkfactor's leaders want to be more involved in new product mentoring for small and startup companies. This will allow for more continuity with clients and is more fun for CEO Abraham Farag and his staff, which allows them more ownership of the final product.

**LONG-TERM GOAL:** Being so small, Sparkfactor has a cost advantage over compet-

ing firms. The challenge over the long term will be to grow the company while keeping costs down.

**BIGGEST COMPETITORS:** Ideo, Frog Design Inc., Lunar Design Inc., Moto Development Group Inc.

**SOMETHING ABOUT THE BUSINESS THAT MIGHT SURPRISE PEOPLE:**

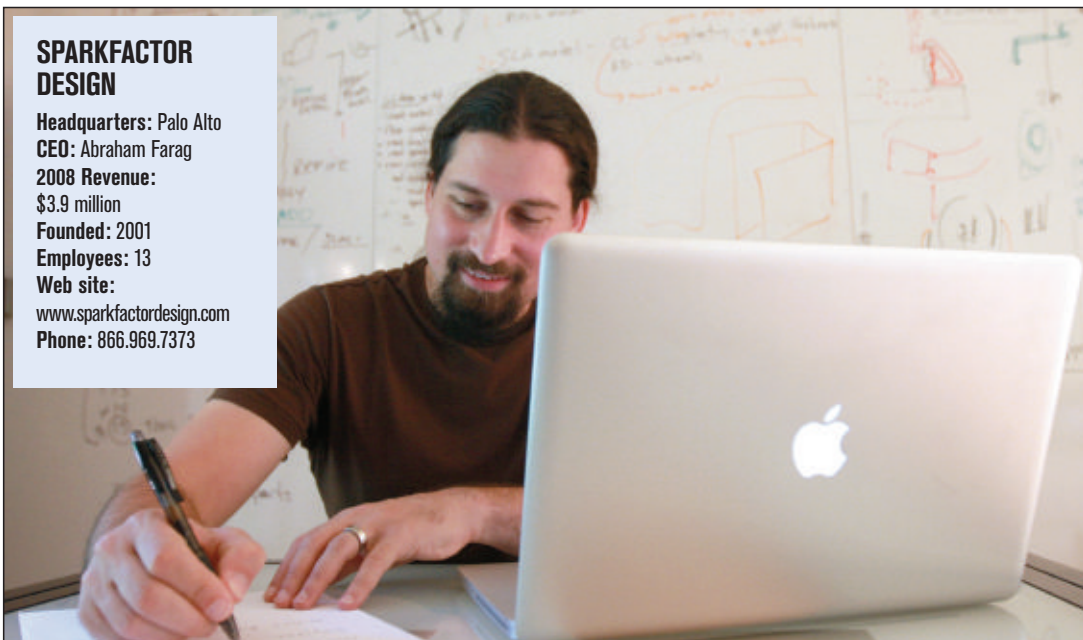
Farag says people often assume the company does primarily industrial design. In fact, 80 percent of Sparkfactor's work is "under the hood" engineering — what goes inside the product.

**BEST BUSINESS DECISION:** Farag took the unusual step of hiring a chief operating officer several years ago when the company was making only \$800,000 revenue. Last year it hired an engineering director. The new hires have brought Sparkfactor additional and more varied work.

**TOUGHEST BUSINESS DECISION:** Last year, when the economy was stalled, the company took on projects for equity. In the short

**SPARKFACTOR DESIGN**

Headquarters: Palo Alto  
CEO: Abraham Farag  
2008 Revenue: \$3.9 million  
Founded: 2001  
Employees: 13  
Web site: [www.sparkfactordesign.com](http://www.sparkfactordesign.com)  
Phone: 866.969.7373



VICKI THOMPSON

**STRATEGIC SHIFT:** CEO Abraham Farag said he would like to do more work with small companies in which he can mentor them through each step of the process.

term it hurts cash flow, but over the long term it helps keep a diverse mix of clients so the company can be expert in a variety of areas.

**LIKE BEST ABOUT THE BUSINESS:** Farag said he gets to work on lots of products that people use every day.

**LIKE LEAST ABOUT THE BUSINESS:** Dealing with clients' business cycles; if a client is having trouble it inevitably trickles down to Sparkfactor. Conversations with clients about such issues are never enjoyable, but a necessary part of business, Farag said.

**ONE THING THAT MIGHT SURPRISE PEOPLE ABOUT THE CEO:** Farag got Ds in 7th-grade science, English and home economics. He took the marks as a wake-up call and ended up doing his undergraduate work at the Massachusetts Institute of Technology and was awarded a National Science Foundation grant to do graduate work in product design at Stanford University.

If you would like to see your company's snapshot here, send an e-mail to Cromwell Schubarth at [cschubarth@bizjournals.com](mailto:cschubarth@bizjournals.com).

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