

Sturbridge Co. Brings Manufacturing From Germany

By Livia Gershon

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Weak dollar makes American production more affordable



Harry Wotton, founder of Securos Inc. of Sturbridge.

When Harry Wotton, the founder of veterinary orthopedics company Securos Inc., first started looking for a manufacturer to produce the company's products, he headed to Germany.

"When you say these are manufactured in Germany, that automatically associates you with very high quality," he said.

But over the past year, the fall of the dollar against the euro has made manufacturing in Europe increasingly unaffordable. Now, Securos and its German partner, Mahe Medical, have decided to switch positions. Securos, which was purchased by MWI Veterinary Supply Inc. last year, is shipping some of the German machines to its headquarters in the Fiskdale section of Sturbridge. A machine operator from Mahe will train local employees to run them.

Bringing Work In-House

Not only will Securos save money by moving the manufacturing in-house, Wotton said, but it will eventually start acting as a contractor for Mahe, manufacturing some of the products that it sells to other customers. The company, which specializes in plates and screws for implants, serves big medical device companies including Johnson & Johnson, he said.

"What's funny about the whole thing," Wotton said, "Here they are a full-blown manufacturer and we're going to duplicate that here, and they won't even be touching the product and making money on it."

Patrick Bench, the director of business development for the Massachusetts Office of International Trade and Investment, said that in the past, foreign companies usually started in Massachusetts by opening a sales and marketing office in the state with just a few employees. But in the past 12 to 18 months, he said, many have seen the exchange rate as a reason to open manufacturing facilities here as quickly as possible.

"That gives them more of an opportunity to not just lease a small sales office but also to buy a building as part of an investment," he said.

Bench said life science companies often want to open locations in Cambridge or along Route 128, but central and western Massachusetts are appealing for many other types of manufacturers because they offer cheaper property and a lower cost of living. Irish medical device company Creganna recently decided to open a manufacturing facility in Marlborough that will eventually employ 100 people, and Belgium-based plastics recycler Socoplast has decided to open a manufacturing facility in Springfield.

Help Wanted

Wotton said Securos will lease the machines from Mahe at a low price and also pay a fee for each piece it manufactures. Once the company figures out its own production schedules, it will start to make products for the German company.

Wotton said his biggest worry about the partnership is finding enough local workers capable of operating the machines.

"Maybe finding one wouldn't be so bad, but I need to find five or six," he said.

He said the first of the machines will arrive in June, and he wants to have at least one employee hired by then. He said the job will pay \$20 to \$35 an hour, depending on experience.

Bench said the quality of the workforce is typically not an issue for European manufacturers who come to Massachusetts, but many need help getting in touch with the right workers for their jobs. He said the state's career centers and the Massachusetts Office of Business Development, as well as his own group, can usually help. In general, he said, Massachusetts is known for good education for both high-level professions and technical work.

Despite his concern about the workforce, Wotton said he expects the new arrangement to reduce his production costs by 53 percent and give the company more flexibility in its production. He said he doesn't know of other companies with overseas partners that are doing the same thing, but he wouldn't be at all surprised.

"I would hope and would assume that people are doing it," he said.