

Manufactured home

SAM Medical relocates its manufacturing operations from Newport to Wilsonville

BY ERIK SIEMERS
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SAM Medical Products' ties to Newport date back to the company's origins a quarter-century ago, when founder Sam Scheinberg was an orthopedic surgeon on the Oregon Coast.

But those ties came to an end in September when the company — a manufacturer of durable emergency medical products such as splints, slings and wound dressings — combined its Tigard headquarters and Newport manufacturing plant into a new 18,000-square-foot space in Wilsonville.

It's a move Chief Operating Officer Adrian Polliack said will make the company's manufacturing and distribution operations more efficient and improve talent recruitment, while providing room for future growth.



Polliack

"It's been hard to launch product when you have a factory two-and-a-half hours away," said Polliack.

SAM employs 36, about 15 of whom are manufacturing-related positions relocating to the Portland area from Newport.

The privately held company reported \$6.7 million in annual sales last year, according to data from Inc. Magazine's list of fastest-growing private companies.

Polliack said 2010 sales — the company's fiscal year ends this month — climbed 15 percent, which would put revenue around \$7.6 million.

In the short-term, the company's U.S. sales are expected to be stunted, the result of a drop in military spending thanks to troop drawback in Iraq and less spending by emergency medical services agencies.

Any decline in domestic sales, however, is expected to be buoyed somewhat by growth internationally. International sales now account for about 22 percent of SAM's annual revenue.

But that's expected to climb to 28 percent, which the company credits largely to an alliance announced in May 2009 with U.K.-based medical products firm Water-Jel International that enhances the company's international sales and marketing efforts.

"That alliance has just paid dividends," Polliack said.

But it's SAM Medical's larger, more efficient manufacturing operation that's likely to be the company's biggest tool for growth.

Consolidating the company's administrative and manufacturing operations into a single location does several things, Polliack said:

- It will eliminate a lag in shipping, since prod-



CATHY CHENEY | PORTLAND BUSINESS JOURNAL

SAM Medical Products moved its 15 manufacturing jobs, including factory worker Kelly Huffman's job, from Newport to Wilsonville in order to have its headquarters and production under one roof. The company makes medical products.

SAM MEDICAL PRODUCTS

CHIEF EXECUTIVE:

Dr. Samuel Scheinberg.

WHAT WE DO:

Developer of medical products used for emergency, military and hospital care.

LOCATION:

27350 S.W. 95th Ave., Suite 3038, Wilsonville.

CONTACT:

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uct made in Newport typically takes an extra day travel to Portland before leaving for eventual destinations.

- It will allow more direct oversight over manufacturing, improving quality assurance.

- It will put its entire work force closer to industry associations like the Oregon Bioscience Association as well as required work force training programs the company participates in at Clackamas Community College.

- And it widens the pool of available talent to the company when it goes out recruiting.

That last point will be critical should SAM Medical achieve its goal of manufacturing more of its products in-house.

As it is now, the company only manufactures its legacy product line of splints: the sturdy-yet-moldable SAM Splint and its Soft Shell Splint used for immobilizing soft-tissue injuries.

The rest of its product line, from Blist-O-Ban bandages to the newer SAM Pelvic Sling, are con-

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Adrian Polliack

SAM Medical Products chief operating officer

tracted out to third parties.

As the business grows, Polliack said the plan is to make more products in Wilsonville, requiring the hiring of workers with specific skill sets, such as highly-technical sewing skills.

"In Newport, they're skills that are hard to find," he said.

What's Newport's loss, however, is to the benefit of Clackamas County and Wilsonville, which has experienced a recent surge in manufacturing jobs.

"From our perspective, any opportunity to grow manufacturing jobs in Clackamas County is a positive one," said Cindy Hagan, the county's business and economic development coordinator.

Mark Ottenad, the city of Wilsonville's public and government affairs director, said SAM joins a fast-growing cluster of medical products companies.

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Among the roster of medical manufacturing firms is Tyco Electronics Medical Manufacturing, which employs around 600 making specialized electronic cable assemblies; Coherent Inc., which makes laser systems for medical applications; Oligos Etc. Inc., which makes DNA and RNA polymers for medical research; PML Microbiologicals Inc., a division of French firm bioMerieux Inc. that makes microbiology products.

Also, Ottenad said three of the nation's

biggest medical products distributors have distribution facilities in Wilsonville: Owens & Minor Inc., Cardinal Health Inc., and Medline Industries Inc., which last year took over about 100,000-square-feet that once housed a Nike Inc. distribution operation.

"SAM Medical products is another company in this realm of medical products manufacturing," Ottenad said. "It's a smaller firm, but nonetheless has the potential for high growth."

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