



Concordia shifts from textiles to biomedical

The Coventry company hopes to reach profitability next year and increase its current \$6 million in annual sales with new biomedical products.

01:00 AM EST on Thursday, November 20, 2003

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With help from the state and Sovereign Bank, a Coventry manufacturer is moving out of the traditional yarn business and into the biomedical industry.

Concordia Manufacturing, a 83-year-old textile maker, has received \$750,000 in financing from Sovereign Bank, a \$250,000 loan from the Rhode Island Economic Development Corporation and a \$100,000 investment from the state's Slater Center for Biomedical Technology to help the company complete its transformation.

Overall, the company received \$1.45 million in loans, bank credits and equity investments for realigning its 55-person business.

The company plans to develop yarns and fabrics for the medical industry and has lined up five biomedical customers: C.R. Bard/Davol, Genzyme, Edwards Life Sciences, Acromed and Velcro Industries B.V.

Concordia has been thinking about making the shift into the medical field for the past year and a half as the economic slump and the flow of manufacturing to Southeast Asia has gnawed away at its customer base, said Randy Spencer, the company's president and chief executive officer.

Founded in 1920 by Paul O. Boghossian, Concordia made a name for itself manufacturing yarn and other synthetic fibers -- particularly industrial sewing threads. But over the past three years, as the garment industry has moved overseas, so has the sewing-thread business, Spencer said.

The company now specializes in manufacturing "unusual" threads, he said, including yarn for the "air bags in BMWs, yarns for filtration media for waste treatment, yarns to reinforce timing belts and to reinforce power transmission belts.

"We have always been on the lookout for higher-end, more technically oriented opportunities," Spencer said.

About a year and half ago, C.R. Bard/Davol approached Concordia looking for a yarn that could be used for "in-body surgical applications," said Spencer. Since then, several other companies have come to Concordia looking for speciality threads for artificial arteries, artificial heart valves and other medical uses, he said. The company decided there was enough of an opportunity in the medical field to refocus its business.

Although not profitable now, Concordia says it hopes to reach profitability next year and increase its current \$6 million in annual sales with new biomedical products.

Sovereign has agreed to give the company a \$350,000 working-capital loan and a \$400,000 line of credit. The EDC's \$250,000 loan helped the company get the loan and credit from Sovereign, Spencer said.

The Slater Center has agreed to take an ownership stake in the business in return for a \$100,000 investment. The current shareholders and the Slater Center invested a total of \$450,000 into the company.

The Slater Center, which receives a majority of its budget from taxpayer dollars, is focused on helping biomedical companies grow in Rhode Island.

"Concordia is in the process of reengineering its work force from a traditional manufacturing mindset to one more focused on R&D," said Richard Horan, executive director of the Slater Center for Biomedical Technology, in a news release yesterday. "With the completion of this financing, the company is favorably positioned to accelerate the transition under way."
