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HEALTH BUSINESS

Saebo explores a new frontier

Medical device firm that moved to Charlotte exemplifies sector targeted by local, state recruiters

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Grasping a business opportunity Henry Hoffman, president of Charlotte's newest medical device firm, was explaining the company letterhead.

The company name -- Saebo Inc. -- is an acronym derived from Sarah Eileen Booth, a beloved grandmother who ran a fabric shop near Buffalo, N.Y.

The company motto -- "No Plateau in Sight" -- refers to the idea that Saebo products help stroke patients continually improve their ability to work their hands and arms.

And the logo of interlocking chevrons? "We're Star Trek fans," Hoffman said, alluding to the insignia worn by Captain Kirk and Mister Spock. He was joking.

Hoffman, 30, and his brother, John Farrell, 42, are Saebo's co-founders and resident wisecrackers. Their frequent quips enliven the company's south Charlotte office as much as the brightly colored rehab equipment they assemble and peddle there.

But local economic development officials are serious about Saebo and other device makers. To them, allusions to a successful Enterprise have a whole different meaning.

"We are very, very keen on bringing medical device companies to Charlotte. We see that as an upcoming industry," said Justin Hunt, a Charlotte Chamber vice president.

The market for medical devices is estimated at \$74 billion and is growing at more than 7 percent a year, according to some estimates. The industry is varied, including older companies making wheelchairs and test tubes and new firms producing sensors and implantable defibrillators.

For decades, North Carolina worked hard to build a base of pharmaceutical companies and biotech firms, but did relatively little to woo device makers. Only recently have N.C. leaders truly appreciated device making as an untapped opportunity, said Ted Abernathy, executive vice president of the Research Triangle Regional Partnership.

This year saw a new push to change that. The North Carolina Medical Device Organization was formed to promote networking and help the industry thrive here. Abernathy's group began contacting hundreds of device makers in other states and countries to try to sell them on moving to Research Triangle Park. And chambers of commerce in Charlotte and Raleigh did their own recruiting.

Only a couple of device makers set up shop in Charlotte this year. One was Amsino International, a Chinese company that established a distribution center here. The other was Saebo Inc.

Saebo was a tiny company formerly run from the homes of the two brothers, who both were occupational therapists and part-time inventors. Farrell lived in Morehead City, Hoffman in Charleston.

They formed the company in 2001 to market the Hemi-Glide, a \$78 pole-like device with a sliding handle designed to help stroke victims regain use of the arm and shoulder.

More recently, their focus has been on the SaeboFlex, an \$850 device fitted to the hand that uses springs to help stroke patients unclench their fists and improve their ability to grasp and release objects.

The company has sold 1,000 of the devices and won raves from customers, some of whom travel to Charlotte for one-week training programs.

"By the end of the week, I was grabbing stuff with my left hand even without the device," said Shannon Stephens, a 27-year-old Kansas woman who lost use of her left hand after a 2002 stroke.

Patients also rave about Hoffman and Farrell.

"They joke around and really make you feel comfortable, like you're at home," said Samara Meyers, 20, a Boston College student who attended a Saebo training program in Myrtle Beach last year.

Saebo moved to Charlotte in June after receiving \$1 million in backing from CHMG Capital LLC, a Charlotte-based provider of home health care that serves many stroke patients.

Saebo's growing fast. It now has eight employees, up from three in June. Gross revenues rose from \$7,000 in 2001 to \$450,000 this year. The brothers are expecting to gross \$2.5 million in 2005 -- and turn their first profit.

They grow by marketing to stroke patients and their therapists. Three out of every four weekends are spent traveling to meet and train therapists in other parts of the country.

They also are into branding, naming and re-naming their products in a consistent way to make them more memorable: SaeboFlex. SaeboGlide. SaeboStretch. SaeboStride.

Of course, they're having fun with it.

"Now we have SaeboSnacks at lunch," Hoffman grinned. "And SaeboTinis at the bar."