



# Back in the USA



**For some firms, the numbers add up for domestic manufacturing.**

**D**ean Sbragia had been in the medical products distribution business for 23 years when his company, **Med-Fit Systems**, purchased the commercial assets of fitness equipment builder Nautilus in February 2010. During the six months of negotiations for the deal, it became apparent that Med-Fit had found an opportunity to be one of the growing number of companies bringing manufacturing back from China.

Med-Fit, based in Fallbrook, Calif., is a specialist in products for rehabilitation and senior care, including Nautilus products. The Nautilus purchase involved four buildings on a 56-acre (23-hectare) tract with 262,000 sq. ft. (24,340 sq. m.) of space in Independence, Va., in Grayson County, located just west of I-77 and just north of the North Carolina state line in the far

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southwestern corner of the Commonwealth. Through the years Nautilus had gradually moved a significant amount of its manufacturing operations to China and Taiwan. For Sbragia, founder and CEO of Med-Fit, it made economic sense to reverse that trend.



**Dean Sbragia is founder of Med-Fit Systems.**

**Med-Fit Systems is gradually bringing manufacturing back from China and Taiwan to its Nautilus division in Independence, Va.** Photo courtesy of Med-Fit Systems

“We did the cost analysis of all products as we were going through our due diligence, and I said, ‘Gosh, let’s take a harder look at it,’” Sbragia says. “So when we hit the ground with the purchase in 2010, we brought manufacturing of our free weight products back to Virginia. We can build better products with better control of inventory at a lower price than we could build in China. We went through the same process with our elliptical equipment, which is more sophisticated and was built in Taiwan. We found we could build those machines better and have better quality control as well for less money.”

Earlier this year Med-Fit also resumed treadmill manufacturing in

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Med-Fit Systems is now manufacturing Nautilus fitness equipment in Virginia.

Photo courtesy of Med-Fit Systems

Virginia. Sbragia anticipates bringing upright and recumbent bikes, the final two Asia-made product lines, back to Virginia by the first quarter of 2012, when everything will be under one U.S.

roof, he says. The Virginia operation employs 135, and Sbragia expects that number to grow.

Sbragia believes there are many more opportunities for companies to

bring manufacturing back to the U.S., especially if they locate in states willing to provide incentives. He says there is a good supply of empty manufacturing facilities and manufacturing equipment

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**Mei Xu is president of Chesapeake Bay Candle Co.**



**Chesapeake Bay Candle Co., which has manufactured its products in Asia since 1995, recently opened a plant in Glen Burnie, Md.**

Photos courtesy of Chesapeake Bay Candle

in some areas that make this proposition feasible. He notes that Med-Fit paid US\$8.30 per sq. ft. for the Nautilus manufacturing space.

“If you really do the analysis, the possibility is there, especially in a state like Virginia which facilitated us buying the property,” Shragia says. “Certainly

in Virginia, it makes 100 percent sense to explore that option. We are looking at building another high-volume fitness product in our factory, which would result in a considerable uptick in employment. This product is currently built in Taiwan, but we will be really competitive building in Virginia. Chinese costs

and Taiwan costs keep going up. If we keep our overhead low, we can do this. U.S. manufacturers need to look at that.”

#### **Candle Maker Lights in Maryland**

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