

Kley looks to keep Freudenberg Medical on growth path

By Chris Sweeney



FREUDENBERG MEDICAL

Max Kley, who has been with Freudenberg since 2000 in increasing areas of responsibility, took over as the company's CEO in August.

ANAHEIM, Calif.—Max Kley may be the new CEO of Freudenberg Medical, but the goal for the medical device manufacturer remains the same.

Kley took over the top position in August 2016 after leading the firm's global Specialty Components division. He's been with Freudenberg since 2000 in increasing areas of responsibility.

"It's great now to have the opportunity to utilize that knowledge and move into a position where you have responsibility for the overall medical world for Freudenberg," Kley said.

His goal is simple: keep Freudenberg Medical on its growth path. Like many suppliers to the medical market, Freudenberg continues to diversify and add capabilities. Most recently, it showcased a number of new technologies at MDM West targeting the minimally invasive device sector.

It continues to develop its coatings line, something

it enhanced by adding a majority stake of Hemoteq A.G. in 2015.

And regionally, Freudenberg Medical is set to open the second phase of a 13,000-sq.-ft. expansion project in Shenzhen, China. The investment will add an additional 6,000-sq.-ft. clean room that will begin operation in March with four new molding machines and auxiliary equipment to start. The room can accommodate 10 total machines.

"We want to be the leading supplier to the medical device industry within the markets in which we are active," Kley said. "That means leading in technology and offering our customers a full range of services from development to support, advanced supply chain solutions and do it on a global basis. That's why we're investing heavily to build out our network of facilities and development centers all over the world. We see in a market in which consolidation is the name of the game, the players are getting bigger and more global. We have something to offer that really helps our customers."

Expanded capabilities

The executive says the firm expects another year of double-digit growth in 2017 targeting two main areas: its coatings and catheters business.

Its coatings technology allows the firm to customize components and devices for customer needs. Kley said this technology is developing very fast and medical device original equipment manufacturers are looking for partners that have a strong knowledge base to invest in these materials.

Catheters are another fast growing segment of the medical industry. Kley said Freudenberg Medical sees increasing interest from OEMs by outsourcing parts they traditionally built in-house to suppliers, opening up opportunities for the firm.

"We've grown rapidly over the last few years," Kley said. "Of course we have to make it happen in a way that fulfills all the regulatory and quality requirements. For this year, we're investing and building out our portfolio of solutions for the customer in terms of solution packages for different applications. We're also investing heavily in innovation on the product and process side."

Freudenberg also sees a lot of opportunities for liquid silicone rubber in medical, Kley said Freudenberg is among the three leading suppliers in the LSR sector of the medical industry. The firm also works with heat-cured silicone.

Kley cited LSR's biocompatibility and versatility as primary reasons why the material has such a strong future in medical, especially as OEMs continue to advance the development of wearable medical devices.

"Wearables as a concept have been around for a long time in the medical device industry," Kley said. "We definitely see strong growth in that area with a lot of promise in areas like diabetes management, pain management and infusion pumps, but also neuromodulation.



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Freudenberg Medical displays its products at the recent MDM West show in Anaheim, Calif.

"All of our manufacturing positions are really high end and clean room, so when it comes to devices that are implantable or that need to meet higher requirements in terms of biocompatibility and hygiene, we see a lot of growth potential for us."

Going small

Kley said as medical devices become more functionally integrated, they also become more mobile, which requires new products to be lighter and smaller.

Freudenberg Medical has had a micromolding presence for a long time, Kley said. It's only intensified its investment during the last few years, adding additional capabilities on the silicone side. The executive added that he believes the firm is one of the leading players in micromolding for the medical market.

Products include tear duct plugs and microscopic sweepers with tiny silicone bristles for eye surgery and other devices for neurovascular and minimally evasive surgeries.

But micromolding has its own set of challenges. Kley said to do it effectively, suppliers need to have dedicated equipment and a strong process in place for handling the finished components.

Freudenberg's two California sites have seen solid investment as well. The firm recently established its Rapid Prototype WorkCell program at Baldwin Park, designed to increase turnaround times for prototyping. Kley said the firm expanded its service, investing in a modular tooling concept, set up a dedicated work cell for the program and established 3D printing for cavities and molds.

It's site in Carpinteria is a year removed from expanding its silicone extrusion and molding clean rooms.

"We've seen very positive reaction on the customer side," Kley said of the Carpinteria project. "We're recording massive growth here in California. What's important over and above having the capacity to add additional customer projects is it's a clear signal that we're investing in California and we're here to stay and to grow.

"Some companies have shown a tendency to move out, but we strongly believe California is the place to be because of the customer concentration here and the ability to provide them with high value, technically demanding services and products."

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