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# Carlstadt maker of computerized dental imaging equipment to close.

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THE RECORD

The owner of Cadent Inc., which provides digital imaging services and equipment for dentists and orthodontists, says it will shut its [Carlstadt](#) plant, lay off 119 people and move the work to Costa Rica and Mexico.

The closing is part of a consolidation as a result of the company's acquisition by San Jose, Calif.-based Align Technology Inc. in May, a company statement said. Align is one of several U.S. medical device companies to choose Costa Rica as the location for manufacturing.

The transition will begin in the fourth quarter of this year, and the plant will close in the third quarter of 2012, the statement said.

Layoffs will take place in September 2012, according to a letter filed with the New Jersey Department of Labor and Workforce Development, as required by the federal WARN Act. The jobs lost will include orthodontists, supervisors and customer service workers.

"Many valued employees will be impacted," said Thomas M. Prescott, president and CEO of Align Technology, in a statement. "These actions, while difficult, are necessary to create the most streamlined service for customers and optimize efficiency across the business."

Align said it plans to consolidate its computer-aided design and manufacture, and scanner customer care operations in a plant in San Jose, Costa Rica.

Some computer-aided design and manufacture services and scanner distribution and repair work will go to Juarez, Mexico. Accounting and finance functions will go to Align's corporate headquarters in San Jose, Calif.

Cadent began supplying its imaging systems to customers in 2004, and now provides several types of three-dimensional systems that introduced dramatic changes to dentistry. One device, for instance, helps the dentist make crowns or bridges with a hand-held scanner that creates a 3-D image, instead of the traditional method in which the patient bites into a compound mixture to make an impression of the teeth.

The company was awarded a grant under Business Employment Incentive Program (BEIP) in 2001 for creating jobs, and eventually received \$224,646 for creating 123 jobs. The company may have to pay a penalty if the jobs leave the state, according to the New Jersey Economic Development Authority.

Align, a public company that trades on the Nasdaq, manufactures Invisalign, a proprietary method for treating misaligned teeth. The company said the acquisition would help boost the use of Align's technology. Align said it expects to save \$4 million a year from the consolidation.

John Boyd, principal of The Boyd Company Inc., a Princeton site-selection company, said Costa Rica is a popular choice for medical device and supplies manufacturing companies that offers several benefits for businesses looking to cut costs.

The workforce is relatively well-educated for that region, and "there is a concentration on technical schools," he said. Located on the Caribbean Sea and the Pacific Ocean,

Costa Rica is also a good shipping location, on the Caribbean Sea and the Pacific Ocean, he said

Mexico is still cheaper than Costa Rica, but the number of manufacturers leaving the U.S. for Mexico has slowed in recent years, in part because the dollar has weakened, making Mexico more expensive, he said. Mexico also poses security concerns due to the violence from the nation's drug war, Boyd said.

That combination of factors make it logical for a company to put manufacturing in Mexico and final assembly, which requires a more skilled workforce, in Costa Rica, Boyd said. A recent study by Boyd's company found that the cost of putting a medical device plant in Costa Rica or Mexico is about 60 percent of the cost to put it in New Jersey.

Companies including BD, of [Franklin Lakes](#), Medtronic, of Minneapolis, and Boston Scientific, of Massachusetts, have developed medical device and supplies plants in Mexico's border region or Costa Rica in recent years, the report said.

"In today's difficult economy, comparative costs are ruling the corporate site selection process like never before," the report said. "For many medical devices companies, strategic site selection is a way to address the cost equation."

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