



PRESS OFFICE

SUCCESS STORY

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Local Manufacturer Finds Formula for Success; SBA Recovery Loan Plays a Role in Company's Expansion

RAHWAY, NJ---Etienne "TN" Grignard and Kelly Akre seem to have found the formula for success. The husband and wife team are the owners of Grignard Company, a Rahway-based manufacturer that has found a niche in developing chemical applications that are used in a variety of industrial and household products.

The company was started in 1963, by "TN's" father Emile Grignard and had a very rich and successful history in developing chemical applications. By the time "TN" joined his dad in 1995, the company was down to two employees. A business major and graduate from Babson College, he decided to purchase the company from his dad in 1997. He then rolled up his sleeves and began to see how he could restore the company back to its earlier prominence.

"The company has been reinvented two or three times," said "TN". "When Kelly joined as a principal of the company in 2003, she began to help develop new markets for Grignard. As a result of her contributions we were able to expand our domestic and international markets by offering new products and applications."

"Our main focus is to develop high quality innovative solutions for our clients as a private labeler," said "TN". "We work extremely hard on that aspect of the business to make sure that our customers' ideas become product realization. In order for that to happen, you have to invest the time and resources into research & development."

Recently, that is exactly what "TN" and Kelly did. They wanted to expand their laboratory, research and manufacturing facility, so they turned to the U.S. Small Business Administration for help. Through the Regional Business Assistance Corporation (RBAC), a nonprofit community development organization that is certified as an SBA 504 Certified Development Company, "TN" and Kelly were able to receive an SBA 504 loan that assisted them in purchasing their new facility in Rahway, as well as help them to purchase new machinery and equipment. Prior to the purchase, the company was located in an outdated facility in Newark.

"TN" and Kelly were able to obtain financing totaling \$2.4 million to purchase and renovate Grignard Company's new facility. Typically, a 504 project includes: a third party loan secured with a senior lien on the financed asset from a private-sector lender covering 50 percent of the project cost. In this instance, TD Bank provided a \$1.2 million loan for the project. An SBA 504 loan secured with a junior lien made by RBAC (funded by a 100 percent SBA guaranteed debenture) covered \$975,000 or 40 percent of the project cost; and the remaining 10 percent of costs were covered by an equity investment from "TN" and Kelly.

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“SBA’s 504 loan program is able to provide small businesses like Grignard Company with long-term financing at a fixed rate for major fixed assets such as land, buildings and equipment,” said SBA’s New Jersey District Director James A. Kocsi. “Partnerships with community lenders like the Regional Business Assistance Corporation and TD Bank give SBA the leverage to provide small business owners access to capital that is necessary in generating substantial economic and job growth throughout the United States.”

Kocsi also pointed out that under the American Recovery and Reinvestment Act of 2009, “TN” and Kelly were able to save \$17,000 in closing fees on their 504 loan.

Today, Grignard employs 15 fulltime employees and another 10 to 15 part time employees. The company is manufacturing a wide range of products such as lubrication, corrosion inhibitors, metalworking, cleaning applications and safe theatrical fluids that create fog, bubbles and snow. The company has also developed a number of green products and is EcoLogo Certified. The products have allowed them to expand their markets and gain new customers. One such customer is the Metropolitan Transportation Agency, where Grignard supplies them with green cleaners.

In addition to the EcoLogo Certification, Grignard Company is also ISO 9000 certified, which recognizes the company for employing quality management systems. According to “TN”, the company continues to grow at 20 percent and that retail accounts for 40 percent of the company’s sales; military/government accounts for another 30 percent; and custom product development makes up 30 percent of sales. The company also exports its products to Brazil, Canada, Dubai, and Mexico.

Although, “TN” and Kelly now own Grignard Company, Emile is still very much a part of the company today. “We rely on Emile’s technical advice,” said Kelly. “He was instrumental in helping us expand the new lab and consults with the chemists on a daily basis.”

“When you think about it,” said “TN”, “Our output is amazing for the number of employees that we have. We are committed to partnering with our customers, with the goal of building satisfying long-term business relationships. Our ability to consistently meet customer needs has resulted in a 95 percent customer retention rate.”

All-in-all it sounds like a winning formula for success.

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