Can a $300 million-plus company be a true entrepreneur? Can a family-owned and operated multi-product supplier that has wide-scale distribution into many retail channels truly be under the radar?

And can this company continue to grow and prosper as it moves into its second century and fourth generation of management?

The answer to all these questions is yes...when the company is Natco Home.

Ranked as the 12th largest home textiles supplier in H&TT’s annual Manufacturing Giants report, the West Warwick, Rhode Island based company this year celebrates its 100th anniversary, a milestone for any business and a rare feat for any company in the home textiles and furnishings business.

The normally low-profile company is marking the occasion with a series of events, including a party during the New York Home Fashion Market Week in March featuring a guest performance from singer Trisha Yearwood, whose rug line Natco launched last year.

For Michael Litner, president and CEO of Natco, the landmark event is both a notable achievement and a step away from the company’s well-known hesitancy for the limelight.

“My goal has always been to be under the radar,” Litner said recently from the company’s offices and facilities in West Warwick, housed in a 100-year old former textiles mill. Litner, who succeeded his father-in-law and grandfather-in-law as president, speaks with the classic Boston accent that recalls his roots. “We’ve always tried to find our own niches and survive in a world of giants, particularly in rugs.”

While the modesty is genuine, Litner’s success in building Natco shows a company that has been very effective in finding its niches... and prospering.

**It All Started with Rubber Waste**

Founded by Arthur Galkin a century ago as primarily a recovery and reprocessor of rubber waste into consumer products, Natco’s first niche was in specialty bags including those airline carry-on totes. That remained its primary business through the end of the 1970s when volume reached $5 million.

By that time, management had been passed on to Arthur Galkin’s sons, Bob and Warren, who ran the company during this era. Litner joined in 1979 and together Natco began expanding its reach into first the flooring business and later other product categories.

First came entry into the vinyl flooring remnant business and then carpet remnants with the opening of a manufacturing facility in Dalton, GA, the heart of the floor-covering world.

In the 1990s came further expansion as Natco started to import floor-covering products from overseas.

Later that decade came a major expansion for the company when it purchased the first of two window...
covering companies, Corona. That was followed several years later with the purchase of Robertson.

“We’ve always survived in the world of giants in rugs,” said Litner, “but one of the reasons we got involved in window and textiles was because there were no giants.”

**One-Stop Shopping**

With this expansion into textiles came the ability to do other cut-and-sew products like decorative pillows and table linens, he said. Last year it introduced a limited line of bedding, now being tested at retail. “All of this added on to our ability to be a one-stop shopping resource for our customers,” Litner said. Michelle LaRovere is president of Natco’s textiles division overseeing these products.

After digesting these acquisitions, Natco turned its attention back to rugs and floor coverings. It bought a former Beaulieu rug plant in Sanford, Maine specializing in machine made wovens. When it bought the plant, it had six looms but Natco has gradually increased capacity, adding an 11th loom this past year. Jim Thompson is president of Central Oriental, which focuses on better rugs for the specialty and e-commerce channels.

Its next major acquisition occurred about nine years ago when Natco bought a company that specialized in outdoor mats and lawn and garden products called Multy Home. This turned out to be a big asset giving the company capabilities in extrusion and injection molding it never had before, further diversifying its product mix. Derek Erdman is president of the Multy Home division.

Today Natco is a $300-plus million company with more than 2.5-million square feet of manufacturing and distribution facilities employing more than 1,500 people around the world. Its retail distribution stretches from the low end of dollar stores up through the mid-market, only excluding the better end of the marketplace.

**From Canada to Georgia and Beyond**

In North America in addition to the one million square feet it operates in Dalton and the facilities in Maine and Canada, it operates an extensive sampling and specialized product manufacturing unit in its headquarters in Rhode Island, giving it impressive capabilities not normally found in the textiles industry.

This allows Natco to achieve a rather unique mix of where it gets its products: 60 percent are made in North America while 40 percent are imports.

And while there is no target ratio, Litner says, “one of my goals has always been to do less importing and more domestic manufacturing. Importing can be tough.”

So while Natco will look to expand its production here, it continues to build its sourcing as well, with Brian Bogas, executive vice president, the key point person on rug sourcing. A joint venture in China produces textiles while a new lawn and garden manufacturing facility is scheduled to open later this year in Europe to service that market.

There has also been expansion into non-home areas, with investments in New England based businesses in retail and other areas.

**The Next 100 Years**

What’s next for Natco? Litner, as is his nature, isn’t giving away any secrets, but says the company is always looking to expand. “But if you go into a new product category you better have a damn good reason why.”

In the meantime, Litner’s son David, a principal of the company representing the fourth generation of the family, has joined the company involved in a number of areas including Natco’s outside investments.

Litner, who describes himself as both frugal and loyal (“sometimes to my detriment”), looks to the future for Natco, one where he expects to see further consolidation on both the supplier and retailer sides of the business. A challenge going forward will be to find young people who want to go into this business. “An ongoing issue is finding new talent.”

Not that Litner is going anywhere himself. “I’m sticking around but hope to be turning more and more over to others in the next few years.

“But you need to have a lot of passion, which I still have. I think there’s a lot of good things to happen for this company.”

Spoken like a true entrepreneur.