

Onyx Medical's products used by top orthopedic companies

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by Michael Paulk

Unlike many companies in the health care industry, for **Onyx Medical** success is found in remaining unknown.

For Onyx, which provides orthopedic trauma implants and instruments, anonymity doesn't mean its reputation with the orthopedic medical device companies for which the Memphis-based contract manufacturer makes products isn't important.

"We try to be the quiet, behind-the-scenes player," says Jodie Gilmore, Onyx Medical's vice president of sales and marketing.

Onyx makes about 1,200 different parts, which are resold as parts of other products by its customers, and outputs about 4,000-5,000 units per day. For instance, it provides orthopedic companies with items shaped from stainless steel and titanium such as screws, wires, guide pins, half pins and drill bits.

"We've been able to stay very, very busy with the audience we have," Gilmore says. "Our ideal customer would be a top 10 orthopedic company, and we already do quite a bit of business with the top five companies."

The products Onyx makes are used in very sophisticated medical procedures, but in the health care industry, screws, wires and drill bits aren't considered leading edge technology, although they must meet rigid guidelines for quality and consistency.

Gilmore says many companies prefer to buy such items from outside vendors like Onyx in order to save time, money and manpower.

"It doesn't make sense for these companies to make what you might call a commodity product," Gilmore says. "We fill the gap for these companies and free them up to do more R&D."

Since its founding in 1990 by husband and wife team Laraine and Roger Gilmore, the company has grown to encompass 30,000 square feet of manufacturing space off of Collins Street and a staff of 39. Their son Patrick, who serves as vice president of manufacturing, and his wife, Jodie, have since come on board to make the company a true family affair.

The couple purchased a contract manufacturing operation that had been in Memphis since 1935, albeit making some similar and other different products, and refocused on simply serving the orthopedic industry, Laraine Gilmore says.

"When we started our business in 1990, we had a small base of customers, and over the years, those relationships remained," Laraine Gilmore says. "And as their business grew

those relationships grew."

She says word of mouth in the very small industry has also worked to drive new business for Onyx over the years.

Still, by serving such a niche in the health care industry, Onyx's growth is limited by the size of the market and the number of potential customers in it. Future growth would be predicated on the company diversifying into new product lines, something Laraine Gilmore says is unlikely at this time.

"This is what we know and what we do best," she says. "And I can tell you from experience that is what you should stick to."

The manufacturing floor at Onyx is filled with the very latest in metal working machinery. Computerized lathes, grinders, mills and chemical finishing machines are the backbone of its operations.

But even the best machinery in the world is not good enough to win the business of enormous health care customers unless those companies are convinced Onyx is consistently making a good product. That is where certified standards and practices come into play.

Part of the company's ability to attract companies to outsource manufacturing of their medical items has been Onyx's ISO certification. Onyx has achieved ISO 9002 and ISO 13488 status.

"We've found that it's been important for a number of reasons," Jodie Gilmore says.

By being able to demonstrate efficiency and quality measures through an ISO audit, the company can prove to its large corporate health care customers that its standards and practices measure up to theirs.

"It's an outside certification," Jodie Gilmore says. "We know we have a good product, but it's hard to convey that to other people."

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