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Precision counts

Exacting standards put premium on products manufactured by Onyx Medical

Memphis Business Journal - by [Toby Sells](#)

Quality is king at **Onyx Medical Corp.**

It has to be when you make medical devices that will ultimately be implanted in a human body. But quality isn't just a feather in the company's cap. It's a business strategy that it hangs its hat on.

"We make products for the major orthopedic companies around the globe," says Jodie Gilmore, the company's vice president of strategic business development. "They need to know if they source a product with Onyx and use us as a strategic manufacturing partner, we are not going to let them down."

That, Gilmore says, is how the company has been able to grow revenues 15% every year since she and her husband, Patrick Gilmore, joined his family's business in 1999. Back then, the company had 45 employees and had revenues under \$2 million. The company now has 75 employees and Gilmore says the 2010 revenue goal is just under \$10 million.

When the Gilmores joined the company with Patrick's mother and father, Roger and Laraine Gilmore, they brought together many areas of expertise. Roger and Laraine Gilmore bought the company in 1990, mostly as an investment, Jodie Gilmore says. When they realized the business needed more attention they began to call on the talents of their son and his wife.

Patrick is a mechanical engineer and worked for a product design firm in San Francisco's high-tech sector. Jodie was a product manager at **Apple Corp.** with a marketing and financing background.

"Roger and Laraine are excellent entrepreneurs and they laid a foundation for us to help launch the business to the next level," Gilmore says.

Onyx produces mostly drill bits, screws, pins and wires for the orthopedic industry. These implants and instruments are used to either hold a medical implant in place, to cut bone for a screw or help the surgeon navigate the implant to the proper position. Most of their products are used for implants in trauma-related procedures. The company also makes a few products for reconstructive and spinal implants.

As a contract manufacturer, the company makes products for medical device companies. The products they make won't carry the Onyx brand name, typically, and Onyx operates as an extension of the company that contracted them. Onyx has international and domestic ISO certifications and is approved by the **Food and Drug Administration.**

But Gilmore says Onyx maintained its annual revenue growth not with new product lines or acquisitions, but by deepening its relationships with contractor companies.

"Maybe in the beginning we'd only do the machining portion of it," she says. "Now we're broadening that to help them with design for manufacturability on the front end and finishing, laser etching, electro-polishing, passivation and packaging."

InMotion Orthopedic Research Center executive director Dick Tarr says orthopedic companies are indeed relying more on contract manufacturers and fewer of them.

"Because of quality issues and all the other issues down the supply chain, (medical device companies) would love to have a one-stop shop," Tarr says.

He says the more a single manufacturer can do, the better. Device companies can save money by



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Jodie Gilmore and Patrick Gilmore meet with team members at Onyx Medical Corp.

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lowering transportation costs and cut headaches and manpower by having fewer manufacturers to inspect for quality.

“The (medical device company) is ultimately responsible for the quality of that product,” Tarr says. “But if manufacturers can prove out their quality systems then everything falls in place. They can likely do it cheaper and ultimately end up becoming part of the companies they work for.”

Gilmore says while the equipment for their kind of manufacturing is pretty standard globally, it’s the way Onyx uses theirs that sets them apart.

They can program one machine to complete a product where other companies may have to use six pieces of equipment, which certainly increases costs for human resources.

“In the last two years, we’ve been awarded major pieces of business that have been bid globally to China, Eastern Europe, Malaysia, Puerto Rico and Costa Rica,” she says. “That’s telling. That’s how we’re using our technology to keep our costs low and compete effectively against low-cost countries.”

Onyx Medical Corp.

Orthopedic contract manufacturer

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