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Medical device industry providing economic stability

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Most of the medical device companies in Memphis are in expansion mode. While that may not immediately equate to hundreds of new jobs, it bodes well for the city in several significant ways.

Wright Medical Technology Inc. is investing \$10 million to upgrade its distribution center in Arlington and will follow that by constructing a new office building on its campus. The existing office space will be used for research and development.

The investments are needed to facilitate Wright Medical's growth, particularly in the foot and ankle division, which has seen revenue growth of 20% for the past 11 quarters, according to CEO Gary Henley.

Onyx Medical Corp. and NuVasive Inc. are also expanding. Onyx, which manufactures drill bits, screws and wires for the device industry, is developing a new \$4.5 million plant in Shelby Oaks.

NuVasive is investing \$1.6 million in its local facility, which manufactures and distributes spinal surgery kits to U.S. hospitals and surgery centers. And Medtronic Inc. finished a \$90 million expansion of its spinal and biologics facilities here in 2008.

Aging baby boomers insist on remaining active, so the need for implant surgeries is only going to increase. That means more demand for suppliers to those industries and the research that goes into making devices more effective.

For Memphis, the burgeoning device industry helps diversify the local economy, bringing more manufacturing opportunities to the work force. It is true Memphis is America's Distribution Center, but logistics and warehousing jobs tend to pay less, require less skill and can only carry the local economy so far.

The growth of these device companies also perpetuates Memphis as a slow growth market that doesn't rise or fall sharply like other U.S. markets. While it isn't immune to a recession, health care is a relatively stable market in terms of demand. So it tends to buoy the overall local economy when a recession is shrinking or stifling growth in housing, transportation and other areas.

The Greater Memphis Chamber is working with local device companies to recruit similar businesses to the city. It's a building-blocks process that hopefully will become a more defined image a decade from now, when Memphis can confidently say it is the top, or one of the top musculoskeletal centers of commerce in the U.S.

If nothing else, these efforts are feeding more stability into the local economy, and that will benefit all industries and citizens in the greater Memphis area for years to come.