

Onyx Carves Niche in Medical Device Arena

By Michael Waddell

Medical device firm [Onyx Medical Corp.](#) experienced a record year in 2012, and that momentum has carried over through 2013.

The privately held, Memphis-based company manufactures fixation pins, guide-wires, screws, and drill bits used for orthopedic and computer-navigated or minimally invasive surgical operations.

“In the first half of 2013, we have grown by double digits over and above the same time period last year with no signs of slowing down,” said [Jodie Gilmore](#), Onyx vice president of strategic business development.

The company’s products are made of implant-grade materials like stainless steel, titanium, cobalt chrome and nitinol, as well as instrument-grade materials.

“Some of the products we make are quite simple and others are extremely complex, but they are all essential in effectively repairing the human body through surgery,” Gilmore said.

Roger and Laraine Gilmore founded Onyx in 1990, just after they had completed the sale of an agricultural chemical formulation and manufacturing business that [Roger Gilmore](#) started a number of years prior.

“Having lived in Memphis for many years raising a family, they wanted to create jobs and opportunities within their hometown,” said Gilmore, who is also Roger and Laraine Gilmore’s daughter-in-law. “So they acquired a faltering company and successfully stabilized it. Then they set about establishing a stronger foundation for the firm from which Onyx grew.”

Jodie’s husband, [Patrick Gilmore](#), a mechanical engineer and skilled hands-on technical problem solver with a love of building and creating things, joined his parents’ company in 1997, and Jodie brought her expertise in marketing and finance.

“Although we each loved our jobs and were enjoying very fruitful careers in high-tech – me with Apple computers and Patrick with IDEO product design – the idea of taking an ownership stake with more direct responsibility for a company’s success was very appealing,” Gilmore said. “It was also important for both of us to be involved in an industry that improves people’s lives.



Onyx Medical Corp. makes fixation pins, guide-wires, screws and drill bits for orthopedic and computer-navigated or minimally invasive surgeries.

(Jeffrey Jacobs)

Manufacturing isn't glamorous, but it is an essential building block for economic growth, and when combined with the fact that we are producing life-changing medical devices, it makes what we do particularly rewarding."

She expects to see continued demand for Onyx products due to an ever-aging and increasingly overweight population combined with more osteoporosis-related fractures.

"The world population has a sustained need for the procedures our products support. It's just a fact of life," Gilmore said. "We have stayed the course with our long-term business plan by continuing to advance our manufacturing technology, expand our global reach and strengthen our customer base."

Onyx has doubled in size every five to six years, and the company currently employs a team of more than 100. The company did not feel much impact from the recent recession, as Onyx has grown at two to three times the pace of the overall market.

"Truth be told, the medical device industry has been somewhat insulated from effects of the recession," Gilmore said. "We've developed new partnerships and fostered revenue growth in spite of the recession. We can't complain; business has been great."

The biggest concern right now for Onyx is the new medical device excise tax, which was introduced as part of the Affordable Care Act and went into effect on Jan. 1 of this year. The 2.3 percent tax is taken off top line revenue and directly impacts the bottom line of medical device companies.

"Long term, the concern is that funds may be diverted away from research and development, and could hamper innovation," Gilmore said. "While we are not directly subject to the tax because of where we lie in the supply chain, our customers are paying hundreds of millions of dollars every month because of this tax, which clearly will take a toll on budgets and operational plans. And Onyx will feel even more pressure to lower costs and increase efficiencies in order to remain a beneficial and cost-effective partner for our clients."

Two years ago the company moved into its new corporate headquarters and manufacturing facility at [1800 Shelby Oaks Drive](#). Since then, Onyx has invested millions into new equipment and has expanded senior-level and skilled production staff in response to recent growth.

"We have seen amazing growth in the last several years; so, quite frankly, our goal is to keep doing what we've been doing," Gilmore said. "We are always focused on building strategic partnerships in our industry and working to create and support the latest in cutting-edge medical device innovation and technology."