

Onyx Medical, a 'nuts and bolts' medical device maker, moves into a bigger facility

By Toby Sells

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Spurred by a decade of double-digit growth, Onyx Medical Corp. is now milling, grinding, turning and forging its products from a larger, brand-new facility at 1800 Shelby Oaks.

The Memphis company makes the "nuts and bolts" for orthopedic surgeries -- pins, guide wires, drills and screws. These small parts begin as long, bulky rods of cobalt chrome, titanium and stainless steel.

Inside the company's new, 53,000-square-foot facility recently, industrial machines hummed and hissed, forming those raw materials into precise surgical components.

Some of them will be used to aid in the surgeries. Some of them will be left inside patients' bodies. Some of them are as big as a pencil. Some of them are thinner than a sewing needle.

Onyx ships about 9,000 of these parts every day, said Jodie Gilmore, the company's vice president of strategic business development.

That volume has been built on 10 years of sales growth that has averaged about 12 percent each year, she said.

"We knew in 2008-2009 that the existing building we had was simply not going to accommodate our needs," Gilmore said. "We knew that we were going to have to find a new location to be able to continue to grow and expand the way our customers expect us to grow and expand."

So, the company started planning for an expansion in 2008. It could have expanded at its former Midtown location on Collins close to Poplar. It could have leased a new facility.

Gilmore chuckled in disbelief, though, that building a facility from scratch was the most cost-effective option. That's important, she said, because, as a supplier, Onyx is expected to be fiscally lean, and "we're very aware of that," she said.

"We're competing with China and other international manufacturers and in order to stay competitive with that we have to be able to do it more efficiently and be a better-quality proposition for our customers," said Patrick Gilmore, Onyx's vice president of manufacturing and engineering and husband of Jodie Gilmore.

The entire project -- the land, the building and new equipment -- cost a little more than \$6 million. The new facility is about 77 percent larger than the old one and can be expanded up to 75,000 square feet. It has room for 150 employees, should business continue on its upward trend.

Onyx employs 94 now and has added 18 since 2009, Jodie Gilmore said. The company will hire strategically, though, and not for the sake of filling a building, she said. Onyx is now hiring for five or six positions and will likely hire 10 total in the next two years.

Along with running lean, the company is expected to operate largely behind the scenes. Onyx makes its products for other companies, mainly medical device companies that make implants for spinal or trauma surgeries. So it is not the Onyx brand the company laser-etches on its products, but those of its customers.

Jodie Gilmore said about 55 percent of Onyx products are shipped to U.S. manufacturers outside the Mid-South, 20 percent are shipped overseas and 25 percent go to medical device companies around Memphis.

Three international medical device makers -- Smith & Nephew, Wright Medical and Medtronic -- have huge operations in the Memphis area.

Wright Medical is a home-grown company; about 1,000 work at its headquarters in Arlington. London-based Smith & Nephew's orthopedic unit is based in Memphis, where it employs about 2,000. Medtronic's spinal and biologics units are in Memphis and employ about 1,500 here.

So, like companies that make computer parts have flocked to Silicon Valley or auto parts makers that are anchored around Detroit, these medical device firms have attracted manufacturers just like Onyx, which has strengthened the area's biotech economy.

"It is always a plus for Memphis when one of our companies builds a new facility, adds human capital or expands at their current locations," said Leigh Anne Downes, director of life science business development for the Greater Memphis Chamber. "Additions to the footprint always is a great indicator that our medical device sector is strong and on an upward movement."

Clay Banks, director of economic development for the Greater Bartlett Chamber of Commerce, said Onyx falls within the chamber's area of interest, which encompasses a chunk of northeast Shelby County from Bartlett to Arlington. In that area, he said, some 5,000 employees work for 35 life sciences companies.

"The Bartlett area has a quality of life and a labor pool that these companies are attracted to," Banks said. "It also helps that we have two of the biggest (original equipment manufacturers) out here -- Smith & Nephew and Wright Medical."

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