



Rely on us

DTx supplies stability to the medical device market.

Jennifer Monroe reports

In 1991, Art Schmitt and Gene Garofalo became aware of a growing need in the medical device market. Technology was changing fast, and leaving many OEMs with production headaches. “We began brokering obsolete computer parts,” Schmitt recalls. “Companies were stuck having to shut down production lines due to parts obsolescence.”

Schmitt and Garofalo did the brokering part time for six months. Then a remark from a customer changed everything. “One of our customers said ‘if you could do this before the problem instead of after, we’d buy everything from you.’ We decided that sounded like the basis of a good business plan.”

At that point DTx was born with Schmitt as president and Garofalo as vice president of business development. Their company, based in Melbourne, FL, builds the embedded microprocessor based sub-systems and LCD touch screens that are a key component in medical devices and instruments. Simply put, DTx manages the impact of changing technology so their customers don’t have to.

Phillip Gerard, executive vice president of sales and marketing, says the DTx approach is both technical and service oriented. “Our expertise is in technology, the marketplace, and knowing the lifecycle—knowing what changes are going to occur. We provide predictability in an unstable environment.”

Adding to this challenge is each customer’s unique requirements. Most DTx customers buy both embedded systems and LCD technology, but the product demands differ. “The final configurations vary,” Schmitt explains. “Our objective is to deliver custom solutions utilizing the most effective and manageable components.”

DTx’s solution to this is a unique balance of customization and standardization, possible only through the company’s knowledge of technology, component life cycle trends, and strategic partnerships with vendors. “By selecting the underlying components based on factors like reliability and life cycle in addition to function, we can reduce service costs and engineering expertise demands,” Garofalo says. “This also benefits our materials and inventory management. We pass these savings on to our customers.”

Garofalo believes a key ingredient in successful supply chain and life cycle management is the development of lasting, reliable vendor relationships. “We’ve used some of our strategic suppliers from the first deliverable,” he continues. “Of course, not every supplier can meet every demand. So we have established a stringent set of criteria we utilize in evaluating vendors. We see it as a long-term relationship.”

Schmitt agrees. “This is what we built the business on from our very first customer,” he says. “It’s a matter of our suppliers being able to understand our business model and us being able to communicate the needs of the customers we support.”

It is obvious that the DTx business model works. Currently the company in the middle of what Schmitt described as an “almost annual expansion.” Recent growth, however, has led to the need to reconfigure the warehouse and production floor. “The business has grown consistently almost 150 percent in the last 18 months,” Schmitt says. “We’re racing in parallel to get facility reconfigured and ready for the next bout of growth.”

By the end of August DTx’s warehouse, which in the past was divided into two segments, will

Above

A lean cell in action at the Melbourne, FL, facility

consist of three areas. "We do a lot of long-term buys," Schmitt says. "We manage up to three years of inventory for some customers, and that permits us to stabilize their product." Another segment of the warehouse will be dedicated to inventory acquired through consignment relationships with strategic partners and distributors. With this system, DTx won't actually purchase the inventory until it is shipped. This area, unlike the long-term inventory area, will have high turns.

In 2002, DTx began implementing aggressive lean efforts on the production floor. Today DTx operations include a series of flexible lean cells as well as a few pieces of traditional equipment for smaller production runs. "Anything that's got high volume and consistency is lean," he continues. "We don't build anything that isn't already scheduled for delivery. We're already putting 75 to 80 percent of our orders through the cells and almost all new growth will go through the cells."

Production is fast at DTx, with only two to four

days between the work order release and shipment. Where products go from DTx is, again, unique to each customer. Some go to a customer's finished goods inventory. Some go to the end user. "We have some customers where we ship directly to the installation site," Schmitt says. "That way our product can meet the customer's installation technicians. That saves our customer significant inventory carrying costs."

Additionally, DTx is connected, via Web-based systems, into many of its customers' MRP systems and often manages forecasts, planning, and internal engineering documents. These services link the customer's planning process with DTx's planning process, to ensure efficient system integration and end-product deployment. "The design and manufacturing of embedded computing subsystems requires unique expertise." Gerard notes. "Our customers can rely on us to manage that whole process and focus expensive internal resources on their value add proposition." ■



Above
The COULTER LH 500 Hematology Analyzer provides high-volume performance in a compact design

Medical OEMs demand long-life, managed computing solutions. DTx provides stable, embedded computers and touchscreen displays to today's leading medical manufacturers, including CPS Innovations. * Our solutions will speed time to market, improve quality, extend product life and lower overall deployment costs.



DTx Planned Technology Control™ Program

The DTx Planned Technology Control™ program lowers total life cycle costs and reduces the risks associated with change. Our dedicated Planned Technology Control™ Team will manage your solution from design through end-of-life, enabling you to:

- Reduce sustaining costs
- Increase product stability
- Manage technology migrations
- Extend your engineering capabilities

* See CPS Innovations feature in this issue

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