

Phase One of Production Streamlining Initiative Complete

15 November 2004, Melbourne, Florida

DTx Inc. today announced the completion of the first phase of its ongoing initiative to improve production and overall efficiency at its 20,000 square foot manufacturing facility and corporate headquarters in Melbourne, Florida. The project was initiated by DTx's new Vice President of Operations, Luis Alvarez in July 2004 and was completed earlier this month.

Alvarez's production improvement plan is divided into two phases:

1. Implementation of Lean Manufacturing
2. Automation of standard production processes.

Understanding Lean Manufacturing

Literally translated, Lean Manufacturing means "manufacturing without waste." Manufacturing waste comes in many forms, including material, time, inventory, and idle equipment. It's estimated that most companies waste as much as 70%-90% of their available resources.

Lean Manufacturing improves material handling, inventory, quality, personnel and customer satisfaction through the implementation of several core disciplines within the organization. Core disciplines like cellular manufacturing, pull scheduling, quality management, team development, and process and value stream mapping assist in eliminating wasteful activities thereby improving efficiency.

Lean Manufacturing is a never ending process involving regular and ongoing performance analyses and evaluations. Even the most efficient Lean facilities operate with 30% waste, so there's always room for improvement. And, as the business grows and changes over time, production processes must be reevaluated and reformatted to meet new needs.

The Transition to Lean Manufacturing

The first step in DTx's transition was to fully train its key personnel in the principles of Lean Manufacturing. Next, DTx's certified Kaizen facilitators led the staff in detailed evaluations of its operations and business processes.

"We reevaluated everything we did and why we did it - from billing and order processing to assembly and shipping," said DTx Kaizen facilitator, Katherine Morland. "It was very successful. We were able to really streamline what we do by eliminating unnecessary steps and arranging everything in the most logical order. It not only improved internal organization and efficiency but it made it even easier for our customers to do business with us."

DTx also moved to cellular manufacturing from its former batch-and-queue assembly method. Cell-based manufacturing and workcells are at the foundation of Lean Manufacturing. Simplicity is the focus. Materials must move through the assembly process as economically as possible. This is often accomplished by improving the proximity of materials, scheduling and supervision.

Cellular layouts organize departments around a product or a narrow range of similar products. An ideal cell is a self-contained unit containing all the necessary equipment and resources. Material sits in a queue when they enter a department. Once processing begins, they move directly from process to process resulting in very fast throughput. DTx utilizes 2 person cells for the production of its custom computing solutions.

In October, DTx increased square footage by assuming ownership of adjoining office and warehouse space within the multi-company corporate center it inhabits. The addition facilitated a complete renovation of its existing facility which included knocking down and erecting walls, modifying electrical and network wiring and refurbishing existing structures.

The changes have far-reaching benefits for DTx. "We opened up new office space to accommodate current and future staff and we were able to expand our production floor's throughput capacity not only by adding square footage but by removing architectural obstructions that prevented efficient assembly of our products," said Vice President of

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Operations, Luis Alvarez. "We're now even better prepared to handle new customers and large and/or expedited orders."

Phase one was completed in early November and already DTx has noticed an almost 40% improvement in efficiency.

What's Next?

In 2005, Alvarez will lead part two of his project involving the automation of production testing procedures.

References

Strategos Inc. Consultants, Engineers and Strategists Lean Manufacturing Principles: Principles, Basics Tools, Techniques and Definitions. November 2004

<http://www.strategosinc.com/principles.htm>

About DTx

DTx, Inc. is based in Melbourne, Florida and specializes in providing embedded computing solutions for medical device manufacturers. Unlike mass-produced technology like cell-phones or personal computers, medical device makers must adhere to strict regulatory requirements. DTx's unique Planned Technology Control™ Program resists the rapid changes in commercial technology that can jeopardize regulatory certifications by constantly tracking even the smallest components. DTx delivers stable, managed computing solutions whose life cycles far exceed commercial marketplace offerings. Services include custom product design and development, conformance engineering, manufacturing, supply chain management, product warranty and life cycle management.

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