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DTx

New Mainstay in OEM Systems Design, Engineering & Embedded Solutions

BY JAMIE J. ANDERSON

Through teamwork and superior customer service, DTx has become a mainstay in Brevard County and the medical manufacturing industry.

The Melbourne-based company was established in 1991 and specializes in designing and manufacturing microprocessor-based device controllers and touch screen display interfaces for medical devices, explains Art Schmitt, President and CEO of DTx. The computers and displays are used to operate diagnostic equipment such as blood analyzers, imaging devices - including PET and CT scanners - and a wide range of additional diagnostic and imaging equipment. The products are distributed to hospitals, clinics and laboratories throughout the world.

DTx executives pride themselves on timely delivery of items with longevity that exceed commercial offerings. Although other manufacturing companies are seeing a downturn in profits due to a lagging economy, DTx continues to grow their customer base.

"I think the medical industry continues to be a strong market segment and their needs continue to be strong," says Gene Garofalo, Vice President of Business Development. "It's not like the telecom industry that went through a big boom and then bust. The medical industry is continually changing, but the market is still strong and ever growing."

DTx executives plan to meet the industry demands by constantly evaluating their need for growth. This year, the group plans to hire additional personnel for its West Coast region, and begin a presence in Europe and Asia.



The Mission

DTx is committed to being the world's leading authority on embedded computing solutions for medical device manufacturers. It is their mission to become an integral part of their customers' deployment of the best possible end product by providing expert engineering support and undertaking the unique requirements of managing embedded computing platforms and display interfaces, allowing their customer to focus on their competencies.

The Executive Team

Art Schmitt, President, Chief Executive Officer and Chief Financial Officer

Dan Nelson, Executive Vice President of Sales and Marketing

Gene Garofalo, Vice President of Business Development

Luis Alvarez, Vice President of Operations

Al Seprinski, Vice President of Supply Chain

How It All Started

The company was formed in 1991 by Schmitt and his colleague, Gene Garofalo. The duo continued to expand the organization until they sold it in 1996. For the next six years, the company acted as an operating subsidiary of an organization located outside of Washington, D.C. During this time, DTx maintained its staff and provided a broader range of systems integration and network implementation services to both commercial and government entities, Schmitt says.

In 2002, Schmitt proposed a management buy back plan giving the company a second life. During its reincarnation, DTx has focused solely on the medical industry.

"We reviewed what we did right and what we could have done better," Schmitt says. "Selling the business was the right financial decision, but we hadn't completed the mission. There was a greater solution we could provide to the marketplace. We could make a better company than we had sold."

The group continues to make significant investments to make DTx a world-class operation. "Our team is enthusiastic about all the creative changes we implement," Schmitt says.

Team Players

Many of DTx's employees have been with the company for several years. Schmitt contributes this to a communication of operating and personal values during the recruiting and training process. "My job is to put together a team that understands the business and our customers and can execute our business plan," Schmitt says. "The goal for me is to ultimately make myself obsolete by hiring good people."

Schmitt believes that an investment in employees produces the greatest return. For this reason, he tries to limit turnover by giving employees growth opportunities. "We try to make certain we select people who support our philosophies," he says. "I'm very blessed to be surrounded by such quality people. I'm proud that we have been able to attract the best people in the industry. No one here is average."

Because the company is located in Brevard County, it has historically been easy to recruit quality employees, Schmitt explains. "It's a family-oriented area with a good quality of life and good schools. There is substance to the reasons people want to live here, not just the pleasantries of the weather."



When recruiting additional staff, it is also important they be a team player according to Allen Seprinski, Vice President of Supply Chain Management. "We work together hand-in-hand and are very supportive of one another," he explains. "My success is based on whether my counterpart succeeds."

Top-Notch Customer Service

Because all work completed by DTx is custom designed for each medical device, there is not a standard product line or catalog. This can make meeting customer deadlines a bit tricky. To ensure success, DTx executives have focused their efforts on making their existing customers happy.

"It goes beyond customer satisfaction to customer loyalty," Garofalo says. "It's important to situate the company to gain growth from within existing customers. Some companies are always chasing the next greatest thing, but not focusing on the customers they already have."

To adhere to the customer-requested deadlines, DTx executives have included supply chain management philosophies throughout the entire company. According to Seprinski, "all aspects of purchasing, planning and logistics need to function together as a well-oiled machine to engage cross functionally with other key groups to ensure success. With supply chain management throughout the process there

are no surprises - no product launches that are short materials, no missed deadlines, no quality issues, design control has been stabilized and pricing is on target. That is the difference between successful supply chain management vs. a traditional approach."

In appreciation of their superior customer service, DTx received the Siemens Medical Solutions' Certified Supplier Award in December. "It's not the finish line, it's a starting point," explains Garofalo.

To further assist their customers, DTx executives have forged partnerships with several other businesses, including Mercury Computer Systems in Chelmsford, Mass. The management teams of both companies have reached an agreement in which DTx can design around Mercury's products and then sell the final product. Also, DTx can build products for Mercury. "We get to sell in both directions," Schmitt says. "This is ideal."

Always looking for ways to improve production and service, DTx applied for and received its EN ISO 13485:2003. "This certification demonstrates that we have the advanced quality planning procedures, policies and guidelines established that allows us to move in broader and higher levels of system integration," says Seprinski.

The company also developed a Planned Technology Control Program to ensure they consistently deliver an identical product and meet the special needs of medical manufacturers affected by changes in commercial computer technology. Under the umbrella of this program, staff implements strategic component selection, regimented component tracking and strict engineering controls to minimize issues that can jeopardize production, explains Luis Alvarez, Vice President of Operations.

The company has also found ways to cut its production costs, therefore passing the savings onto its customers. DTx recently began automating 100 percent of its product functional and reliability testing. Prior to this upgrade, one employee could test 15 systems per day. Now, 90 systems can be tested at the same time with the click of a button. "It eliminates errors," Alvarez says. "This was key for us. We were working long hours of overtime because functions required a 24-hour test time with a person required to be present. Now, the machine and software we designed automatically collects data and prints reports."

Because of the increase speed of testing, materials are cycled through the company faster. Inventory rotates at 16 percent, rather than the previous 3 percent, Alvarez says. "This gives us more cash on hand. And less liability of quality control because the items are not sitting on a shelf. It also frees up real estate in the building for new customers and products."

The company's leadership is constantly searching, with the help of its customers, for ways to simplify the supply chain. Recently, DTx devised a way to reduce transportation costs by an average of 50 percent to counteract the rising fuel costs. "We redesigned how we package to put more on a pallet to reduce cost, but at the same time increased reliability by allowing for more robust packaging material," Alvarez says. "We are a company designed for cost efficiency but balance it with a reliable product."

DTx has also become a paperless company, including its tracking system to locate all the parts in any given machine.

Future Plans

DTx executives are actively recruiting on the West Coast. Once their presence is solidified they plan to move nationally into Europe and Asia. Schmitt explains that it is important to start with a good foundation and then be able to expand and build the product offerings and customer service.

"We are in a position for growth," says Garofalo. "You must have the right people on the team in the right position to have significant growth. Otherwise, the market can be there for the taking, but if you don't have the right people on the team understanding their roles, it will be hard to get that going." ?

The Perfect Solution Requires the Perfect Team



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www.DTx.com 1800 Penn Street Melbourne, FL 32901 321-728-0172