



KATHLEEN LAVINE | BUSINESS JOURNAL

Thomas Sandgaard, president and CEO of Zynex Medical Inc., intends to increase the number of Zynex representatives throughout the country in the near future, but does not have plans to expand the product line.

Medical device company, Zynex, finds its niche

BY DANA PALMIE
DENVER BUSINESS JOURNAL

Zynex Inc. has built its reputation with hospitals and patients by focusing on developing medical devices ignored by larger medical companies.

The Lone Tree company has found a profitable niche, growing net income 215.5 percent, hitting nearly \$400,000 in 2010.

Zynex Inc. (Nasdaq: ZYXI) has three divisions.

- Zynex Medical creates, manufactures and distributes electrotherapy devices for home use that aim to alleviate chronic pain.

- Zynex NeuroDiagnostics is a wholly owned subsidiary that develops techniques for rehabilitating the brain after a stroke.

- And its newest division, Zynex Monitoring Solutions, serves hospitals by developing devices that solve a knotty problem no competitors have been able to fix said Thomas Sandgaard, founder, CEO and chairman: detecting excessive blood loss in operating rooms and internal bleedings in the recovery room.

"Our blood volume-monitoring solution development has a lot of promise and huge revenue potential," Sandgaard said. "This is the biggest unpacked need to be met in the operating room today."

But innovative products make little im-

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Fastest-growing public company

Zynex Medical Inc.

Industry: Electromedical equipment

Top executive: Thomas Sandgaard, founder, CEO and chairman

Location: Lone Tree

Phone: 800-495-6670

Website: www.zynexmed.com

Percentage of growth from 2008 to 2010: 215.5 percent

pact if patients don't know they exist, so Zynex is responsible for getting its products into hospitals.

"It's important for our sales force in the market to create relationships with distributors," Sandgaard said. "First of all, everyone gets trained online and then are brought in for more than a week of intense training. We are creating a very strong and dense coverage throughout the country."

Sandgaard expects to see Zynex's revenue continue to grow at a similarly rapid rate in the coming years regardless of the changes expected in the health care industry.

"We're not concerned with health care

reform at all," Sandgaard said. "Look at our existing business and see the patient base might actually increase because more people could potentially be insured or get better health insurance."

Now that Zynex has consistent net income growth, Sandgaard said, the company's finances are no longer at the mercy of collecting outstanding bills from health insurance.

"It's been a long road like it is for any startup company, and we've had a number of critical survival stages," Sandgaard said. "Now we have a different set of problems, which are more in the category of what you find in business school books. Up to this point, none of our issues were really described anywhere."

Although Zynex is still a relatively small company, it has exceeded Sandgaard's expectations.

"I started the company 15 years ago with \$4,000 and a credit card and started calling prospective customers with the intention of creating a successful medical device company," Sandgaard said. "It was hard to see then that it would become what we see today."

He intends to increase the number of Zynex representatives throughout the country in the near future, but does not have plans to expand the product line.

"Right now we have enough work ahead

of us to stay busy with these three units," Sandgaard said. "There is plenty to do, but we're always open to new ideas."

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Thomas Sandgaard
founder, CEO, Zynex Inc.

"With three different divisions comes three different sets of competitors," Sandgaard said. "But it's a fairly limited field to operate in."

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