

# Orthopedics • This Week

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**David Paul, CEO**  
Globus Medical, Inc.

INTERVIEW

## Globus Medical, Inc.

By Elizabeth Hofheinz, M.Ed., M.P.H.

**F**ail early and fail often. No, that's not a motto for Losers Anonymous. It's a philosophy that Globus Medical has developed to become one of the fastest-growing spinal implant companies in the US. It refers to their unique product development process that ensures early identification and elimination of problems in product designs.

But before we delve further into the 'fail in order to win' approach, let's get a view of the corporate landscape.

Globus, founded in early 2003, has burst onto the spine scene with innovation, investment in people, research and equipment, and a hard-to-match focus on spine surgery and the spine surgeon.

According to Dave Demski, CFO, Globus came out of the gate running. "In July 2003, we got our first product, a line of spacers, out the door. That same year, we had revenues of \$1.3 million and hit our break even point by September."

More on the numbers later.

So, what are they doing at Globus that results in such growth? CEO and visionary David Paul: "Globus is only focused on the spine. We don't get distracted by thinking about or working on trauma, maxillofacial, joints, or ancillary products. This focus has enabled us to develop a depth in non-fusion technology in a very short time. We have invested a significant amount of money, energy and intellectual capital into designing and building in-house research capabilities to study spinal kinematics and kinetics that is unmatched in the industry."

Demski also says it's speed that has helped Globus pull away from the pack. "This company is able to quickly develop products that are clinically successful because we invest in people and equipment. We have a state-of-the-art prototype shop where master craftsmen-machinists-can review and modify a product in 24 hours. This is rare. Most companies ship their prototypes out for machining and may not see them again for a month. By that time you've lost focus and have to re-orient yourself. Our philosophy is to marry machinists and engineers on project teams. We would much rather find out what is wrong with a product early in the process than after we've got six months invested in it." Thus, Globus thrives on the "fail early, fail often" approach.

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## The Picture of Success: Globus Medical, Inc.

Speaking of products, let's see what's coming out of the Globus lab. "Our products fall into two categories, fusion and non-fusion," says Demski. "We have a broad portfolio of fusion products, including: four different spacer footprints in both PEEK and titanium; a lumbar pedicle screw system that includes our unique AccuFlex flexible rod and a deformity module; an anterior cervical plating system; a revolutionary expandable cage, and a posterior cervical fixation system. In the non-fusion arena, we're working on multiple projects, one of which is currently in US IDE clinical trials (the Secure-C Cervical Artificial Disc), with 4 more planned over the next 12 months. Overall, we're getting close to having a product portfolio that rivals that of the major players."



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David Paul highlights another interesting Globus effort: "We are spending major resources in the internal development of biomaterials. This includes projects creating bone graft substitutes, nucleus replacement and annular replacement devices."

Globus believes surgeons are the key to the clinical success of their products. "We put a lot of energy into ensuring that surgeons participate in the design, testing and evaluation of our products," states Demski. "And, given our in-house capabilities, we can customize instruments for surgeons in a fraction of the time it takes our larger competitors."

As for this fast-growing entity, several significant milestones have already been met. CFO Demski comments:

"In the summer of 2003 we got our first product through FDA approval in 54 days. This was made possible because David Paul and the rest of our team are prepared and poised to respond quickly to any issues or questions that may arise during this process. The following summer we launched the pedicle screw system and the cervical plate and then this summer we launched the expandable cage, posterior cervical system, and the IDE on the cervical disc."



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The company is also expanding across the U.S. with both direct sales and exclusive distributorships. We want distributors who know the spine business and who are willing to be exclusive. We wake up every morning thinking only about 'Globus'—and we want our representatives to do the same."

Mr. Paul's final comment: "I think the fact that Globus is more than 80% employee-owned makes it particularly special. There exists a 'get it done' mindset that infuses everyone from the machinists to the secretaries. People just get down to business and get the job done. There is a real feeling of teamwork at this company. I'm glad to be a part of that."

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