

Zynex's Sandgaard says stubbornness serves him well

BY DOUG MCPHERSON
SPECIAL TO THE BUSINESS JOURNAL

When Thomas Sandgaard was growing up in Denmark, it was clear he would be an entrepreneur of some sort.



Health Technology
& Services

Finalist

Thomas Sandgaard

Title: Founder and chairman

Company: Zynex Inc.
Industry: Medical manufacturing

Location: Lone Tree

Phone: 303-867-3910

Website: www.zynexmed.com

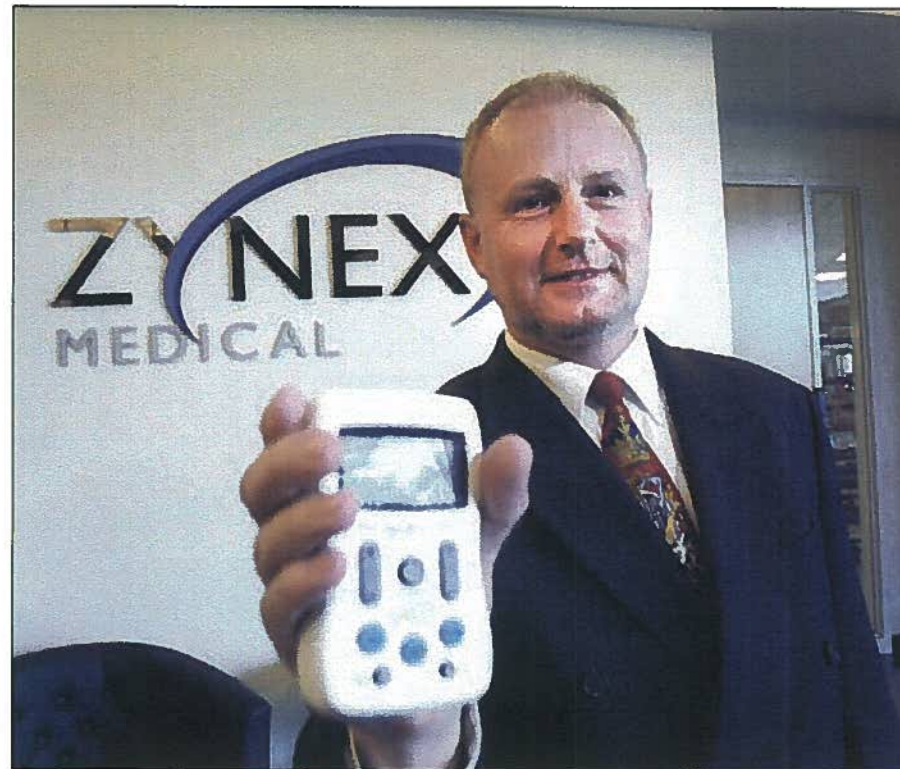
At age 12, he won an inventors' contest held for kids all over Europe. He'd created a part for electronic keyboards. He loved rock music.

Then as a teenager he played in a band, but also organized and promoted concerts filling up large outdoor venues. He even built his own recording studio.

"I think those early lessons were learning how to organize things, but I also learned how to deal with all kinds of people," Sandgaard said. "You really meet a lot of interesting people along the way."

But later on, he got his first taste of defeat. In 1987, he tried starting a business that could send facsimiles via personal computers. "That failed; I couldn't get the funding I needed," Sandgaard said.

He then began tinkering with medi-



KATHLEEN LAVINE | BUSINESS JOURNAL

Thomas Sandgaard is founder and chairman of Zynex, a medical manufacturing company.

cal devices and by the mid-1990s, he felt confident enough to take a shot at selling them in Canada and the United States.

"I really just took a chance to bring them here," Sandgaard said. "Sometimes you make decisions based on gut instinct ... you can't always walk with a safety net. I think two qualities that helped me do

that were confidence and stubbornness."

Add to those sheer determination. Once he arrived, he worked hard to make Zynex Inc. a success. "I was building the products, soldering pieces together, calling on insurance companies, selling to doctors; I was traveling all over the county and I had just a few thousand dollars. My fam-

ily would help out in the office." A few years later, he was able to hire two part-time employees, and "things started going better."

He said he'd do whatever his cash flow would allow him to do. "I always made sure I could make payroll on time, and then everything else I had to pay for myself. Cash flow was key. I was very careful about how fast I grew the business."

Sandgaard said an important milestone came in 1998. That's when he had his first product approved by the Food and Drug Administration. He designed it himself; it was an electric-stimulation device that managed pain and increased blood circulation to promote healing. "That really put us in a different league," he said.

He said after Zynex started bringing in about \$1 million in revenue, he took the company public. "That was a defining moment for the business because that's when all the sweat paid off ... right after we went public in 2004, we grew to \$40 million in revenues."

Since 2005, the company (OTCBB: ZYXI) has grown revenue by about 50 percent each year.

Looking back, Sandgaard said his keys to success were good cash-flow management, a talented sales force ("I've learned I'm not too good at sales," he said) and, of course, confidence and stubbornness.

"If you're going to build a company from the ground up, I'd say you have to be confident and stubborn," he said.

DOUG MCPHERSON - WORDPUB@aol.com