



**W** WESTERN MICHIGAN UNIVERSITY  
— Homer Stryker M.D. —  
**SCHOOL OF MEDICINE**  
INNOVATION CENTER

**2021-2022 ANNUAL REPORT**

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# WHAT WE DO

The Western Michigan University Homer Stryker M.D. School of Medicine (WMed) Innovation Center is Kalamazoo's technology entrepreneurship hub. With an abundance of wet labs, engineering labs, private offices, shared equipment, and two unique co-working programs, the Innovation Center is the perfect home for any technology company. For those who don't need physical space yet, the numerous training programs, networking opportunities, and workshops are ideal.

Since 2003 our 69,000-square-foot building has been a vital component of the Kalamazoo entrepreneurial community, hosting networking events and providing meeting space for various activities. The Innovation Center is also the Kalamazoo SmartZone, a state-designated area where technology-based firms locate in close proximity to all of the community assets that assist in their endeavors. Through the SmartZone, high-tech startups can access numerous programs including the Business Accelerator Fund, the Emerging Technologies Fund, and the MI-STEM Forward Internship Program.

The Innovation Center is a founding member of the Greater Kalamazoo Business Resource Network and collaborates with other support organizations such as the Small Business Development Center, SCORE, the WMU Starting Gate, the City of Kalamazoo, Can-Do Kalamazoo, the Local Initiatives Support Corporation, and more. If it takes a village to raise a child, it takes an entire ecosystem to raise a startup. Here in the pages of our annual report you will learn about what makes the Innovation Center special.

### TOGETHER WE COMMERCIALIZE.



“The Innovation Center is vital to our company's existence. The ability to continuously provide high-quality scientific employment opportunities has been made possible by the ability to expand/contract within the solid infrastructure offered by the Innovation Center.”



# What Motivates Us



## WMED VALUES IN ACTION

These principles guide  
our actions.

### TOGETHER WE...

- Seek to understand
- Respect one another
- Serve with empathy
- Speak up to inform
- Strive for excellence
- Act with integrity
- Celebrate effort and achievement

# DIRECTOR'S STATEMENT

After a long period of darkness that was the COVID-19 pandemic, it finally feels like things are getting back to some semblance of normal. The Innovation Center is buzzing with people, companies are launching new products and raising money, and meetings and events are finally taking place in person. While we must all still be cautious and use good judgement (and hygiene!), it is clear that business as usual is coming back.

A big surprise that came of the pandemic is that the Innovation Center lab space is now 100% full, the first time that has happened since we launched in 2000. And we have a waiting list—another first. Even office space is at 80% with just a handful of offices vacant. Being so full does present some challenges, and we are working to help several companies graduate this coming year. In this way, the cycle of incubation continues as companies mature and leave so new startups can take their place. I can't wait to see the exciting changes this new year will bring us!



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“It is an amazing place for us to work for many reasons;  
we consider ourselves lucky to be here.”

## Our Team



**SANDRA COCHRAN, MBA, Assistant Dean for the Innovation Center.** Sandra coordinates and oversees all activities at the Innovation Center in support of entrepreneurship and commercialization, including technology transfer for the medical school. Her work at WMed focuses on growing the Innovation

Center into a hub for burgeoning life science, technology, and engineering companies. A native of Ann Arbor, Sandra and her family have called Van Buren County home for over twenty years. In addition to holding a National Business Incubator Association's Certificate of Incubator Management, Sandra is a graduate of Michigan State University, where she earned a bachelor's degree in English Education and a master's degree in Business Administration.



**MADELYN PINDER, Business Services Manager.** Madelyn has been with the Innovation Center since 2004. As Business Services Manager for the Innovation Center, she serves as the first point of contact for clients and visitors. Madelyn manages the day-to-day business activities of the Innovation

Center, receives guests for client companies, and serves as the face of the Innovation Center for everyone who comes to the facility, working to ensure that the Innovation Center is a positive experience for all. Madelyn previously served as Community and Investor Relations Specialist at Southwest Michigan First and participated in the planning and build-out of the Innovation Center. She also gained development experience at Kalamazoo College and as Program Manager for a private foundation. Madelyn completed the National Business Incubator Association's Certificate of Incubator Management in 2010.

# CLIENT SUCCESS AND SATISFACTION



## Vestaron Closed a Series C Funding Round of \$82M

**VESTARON**, a leader in peptide-based biological crop protection, was pleased to announce the official closing of a Series C fundraising effort at \$82M on May 12, 2022.

The financing was significantly oversubscribed with high demand from both existing and new investors. Lead investors joining Vestaron in the peptide revolution include Ordway Selections and Cavallo Ventures. Also, Argonautic Ventures, Fortistar, and Endeavor8 will participate.

“Farmers, consumers, and governments deserve an alternative to chemical pesticides and their terrible side effects. The efficacy of Vestaron’s products, the company’s scalable manufacturing processes, and the involvement of some of the leading strategic and financial investors allows Ordway Selections to confidently state that Vestaron is at an inflection point. We are delighted to be partnering with Anna Rath and her talented team to globalize an impactful range of biological products that is simple for farmers to apply and benefit of,” expresses Ariel Barack, Head of Food & Agriculture, Partner, Ordway Selections.

Vestaron welcomed returning investors Novo Holdings, Northpond Ventures, CGC Ventures, iSelect, and Syngenta Ventures.

“Vestaron has developed groundbreaking peptide technology with a successful commercial launch in the agricultural industry,” explains Craig Herron, Managing Partner with iSelect. “We are excited to have a hand in the revolution in this early stage.”

Kartik Dharmadhikari, Principal of Novo Holdings and Vestaron board member, shares thoughts: “Vestaron continues to outline and achieve milestones.... I have confidence that the next phase will deliver the promised technology and portfolio that has already established Vestaron as a valuable partner providing vital solutions to growers across North America.”

With the recent fundraising, the Vestaron board will add Ariel Barack(Ordway), Mike Wilbur (Cavallo), and Craig Herron (iSelect) as board observers.

“With the caliber of additional investors, our recently added Board of Directors member Randy Papadellis, and Audit Chair Susan Altschuller, Vestaron is primed for a strong and dynamic future,” explains Vestaron CEO Anna Rath.



## IONTOX Acquired by LifeNet Health

**(AUGUST 1, 2022)**

We are excited to announce that we are launching a series of in vitro assay services as alternatives to animal testing to support safer, more effective novel compound discovery. These new compound-screening options will provide a new level of human relevance and predictability, furthering LifeNet Health’s commitment to improve more lives by honoring the gifts of research donors.

To support these new services, **LIFENET HEALTH** welcomes **IONTOX** and its team of scientists—including founder and industry leader James McKim, PhD—to the organization.



## Next Stage Labs Named 2022 Kalamazoo SmartZone Best Small Business of the Year

In April 2022 the WMed Innovation Center announced that client company **NEXT STAGE LABS** had been selected as the 2022 Kalamazoo SmartZone Best Small Business of the Year Award winner at the 2022 Michigan Celebrates Small Business event. Next Stage Labs was honored on May 3, 2022, at the gala event in East Lansing, Michigan.

Next Stage Labs was founded in November 2019 by Kelly Elsworth. Next Stage Labs is an independent lab specializing in the ornamental plant industry. They contract with clients to initiate and maintain disease-free plant tissue culture for international shipping and research and development. Their unique inventory system guarantees genetic integrity, so customers can rest easy knowing their plant stock is safe in expert hands. The company proudly notes, “We’re plant nerds, and we love what we do!”

Kelly Elsworth, owner of Next Stage Labs said, “We are so proud to be receiving this award and appreciate all the support

we’ve received from the Innovation Center as our business has grown over the past several years.”

The WMed Innovation Center currently houses 25 companies and provides support services to numerous additional companies through its programs and seminars. Since the inception of the Michigan 50 to Watch program in 2005, 15 Innovation Center client companies have been honored with various awards.

“I love seeing companies like Next Stage Labs receive the recognition they deserve,” said Sandra Cochrane, assistant dean of the WMed Innovation Center. “Company founders like Kelly work so hard, every day, and rarely get a chance to celebrate their amazing achievements. Awards and recognition programs like Michigan Celebrates Small Business give us all a reason to pause and celebrate. I am proud of the role the WMed Innovation Center plays in our clients’ successes.”

## Client Satisfaction Survey Highlights

The Innovation Center strives to provide the most supportive environment possible for the most number of clients. While not perfect, the Innovation Center succeeds in meeting the needs of the vast majority of companies in residence. The annual client satisfaction survey completed in the fall of 2021 revealed that:

100%

say the WMed Innovation Center has made a positive difference in their emerging enterprise

87%

say that the involvement of the Innovation Center’s staff with their company is “just right”

80%

say they would “most definitely” recommend the Innovation Center to another entrepreneur



“I never would have had the confidence to start my business if it weren’t for the Innovation Center. The common equipment in the building allowed me to get up and running without taking on a tremendous amount of debt. Three years into my business now, I’m tremendously grateful that the Innovation Center exists and that we landed here.”

# OUR PARTNERS AND SPONSORS

The Innovation Center is fortunate to have the support of several organizations from across the state of Michigan. These partners and sponsors provide refreshments and snacks for events, content for educational workshops and seminars, and free and reduced cost services to the clients of the Innovation Center. Partners and sponsors enrich our entrepreneurial community.



“We are very happy to be a client company at the WMed Innovation Center and find it invaluable to our business. The opportunities for collaboration with other client companies help us bring additional perspective to finding unique solutions. The staff at the Innovation Center are top-notch professionals. In addition to being extremely customer service oriented, we have found them to be a good source of referrals for additional resources.”

# WORKSHOPS AND EVENTS

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## The Boundless Women Confab



*The 20 Notable Business Women honorees*

In 2020, the Innovation Center received a \$50,000 Growth Accelerator Award from the U.S. Small Business Administration. The \$50,000 award was part of \$3 million the SBA allocated across 39 states and territories to 60 accelerators and incubators to support startups and entrepreneurs researching and developing STEM-related innovations, company formation, and awareness and education on the Small Business Innovation Research and Small Business Technology Transfer programs. The Innovation Center used some of the award money in 2021 to host the Boundless Women Confab. This one-day celebration of women entrepreneurs attracted over 100 people who enjoyed the workshops, keynote speakers, and a gala reception.

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## Monthly Client Lunches

After suspending in-person gatherings for almost two years, the clients of the Innovation Center were happy to see the monthly client lunches resume in 2022.



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Since most of FY22 required us to offer virtual events only, the Innovation Center staff successfully migrated most of its programming to online platforms like Zoom and Microsoft Teams. Below is a sample of the events we were able to offer in a virtual manner, continuing to serve our clients and other entrepreneurs across the state of Michigan.

- SBIR/STTR workshops
- Introduction to Customer Discovery program
- Kalamazoo Venture Tuesday meetings
- Turn the Tables, a Reverse Pitch Event (offered as a three-part series)
- Medical Entrepreneur Speaker Series
- Various SBDC and SCORE workshops including Scale Kalamazoo, Team SBA Roundtable, and Intro to SBDC Services



# OUR CLIENTS

- **Arcadia Supplements, LLC** formulates and distributes fulvic-mineral-based health and wellness products.
- **AureoGen Biosciences, Inc.** is focused on the development of novel chemistry and genetic engineering methodologies for the modification of cyclic peptide-based compounds.
- **Epredia** is a global precision cancer diagnostics company working to improve patient outcomes by providing groundbreaking technologies. Powered by trusted brands such as Richard - Allan Scientific, Microm, Shandon, Menzel Gläser and Erie Scientific, Epredia has a wide breadth of solutions that have and will continue to transform the anatomical pathology market.
- **Hibiskus Biopharma Inc.** is an early stage drug discovery company utilizing proteasome inhibitor technology that may have significant activity in solid tumors; in particular, renal carcinoma.
- **IONTOX, LLC** is a biotechnology company dedicated to providing expertise to the area of in vitro toxicology, with a mission to build improved methods for predicting human adverse effects from chemical exposure.
- **Kalsec** is the leading global producer of natural spice and herb flavor extracts, colors, antioxidants, and advanced hop products for the food and beverage industry.
- **Metabolic Solutions Development Company, LLC** is developing innovative therapeutics to treat and prevent age-related metabolic diseases such as diabetes.
- **Micromyx, LLC** is a microbiology services company specializing in anti-infective discovery and development for the pharmaceutical, biotechnology, and animal health industries.
- **Next Stage Labs** focuses on the ornamental plant industry. They help clients who are in the development phase of a new variety, bringing material to market and needing to ensure their genetics stay disease free.
- **Northern Biomolecular Services** is a contract research organization specializing in advanced molecular biological techniques for the determination of biodistribution, persistence, and gene expression of cell and gene therapy products in biological samples through real-time qPCR quantification analysis.
- **PharmOcular, Inc.** is working on a topically active COX-2 inhibitor for treatment of Age-related Macular Degeneration (wet-AMD).
- **Proteos, Inc.** provides a wide range of expression platforms, purification methods, protein analysis tools and assay services to life science companies and research labs across the world.
- **RealBio Technology, Inc.** provides leading-edge cell and tissue culture technologies that support the growth, expansion, differentiation, and collection of human and non-human cells.
- **SafeSense Technologies LLC** is a sensor technology company providing innovative solutions using flexible hybrid electronics for the Sports Performance, Physical Therapy, and Medical Diagnostics markets.
- **Separation Solutions / SepSol Process Solutions** is a manufacturer's representative and distributor of equipment for filtration and separation, powder and bulk processing, dust collection and packaging.
- **Single Source Procurement, Inc.** stocks and stocks an on-site scientific supply storeroom and coordinates ongoing routine procurement for companies, as well as coordinating instrument repair and researching and negotiating one-time purchases.
- **StatLab Medical Products** has been supplying the anatomic pathology laboratory for over 30 years as a leading developer and manufacturer of cost-effective histology, cytology and immunohistochemistry diagnostic supplies.
- **Tetra Therapeutics** develops therapeutics to treat memory loss and cognitive impairment by improving how the brain processes and stores information, to improve the quality of life for patients suffering from Alzheimer's disease, dementia, traumatic brain injury, major psychiatric disease, and neurodevelopmental disorders.
- **Vestaron Inc.** is a leader in the development and marketing of safe and effective bioinsecticides derived from naturally occurring peptides found in spider venom.
- **Videka Pet Food** captures the best of two leading global companies, Diana Pet Food and Kalsec®, to better serve the rendering and pet food industries with natural protection solutions.

# ECONOMIC IMPACT

Nothing speaks to success like the hard numbers. We are proud to report the annual economic impact of the Innovation Center achieved through the efforts of our client companies for the past 12 months (4/1/2021–3/31/2022).

<b>New Companies Created</b>	<b>3</b>
<b>Number of Companies Expanded</b>	<b>8</b>
<b>Number of Companies Served</b>	<b>41</b>
<b>Jobs Created (Number of FTEs)</b>	<b>51</b>
<b>Average Annual Salary of Jobs Created</b>	<b>\$44,000</b>
<b>Jobs Retained</b>	<b>231</b>
<b>Average Annual Salary of Jobs Retained</b>	<b>\$74,439</b>
<b>MEDC Funds Awarded to Companies</b>	<b>\$15,000</b>
<b>SBIR, STTR, and Other Federal Funding</b>	<b>\$625,575</b>
<b>Venture Capital Raised</b>	<b>\$15,100,000</b>
<b>Angel Funds Raised</b>	<b>\$1,361,066</b>
<b>Bank/Loan Financing</b>	<b>\$170,000</b>
<b>Owner Investment Made</b>	<b>\$5,152,500</b>
<b>New Sales (Increase in Revenue)</b>	<b>\$107,934,916</b>
<b>Total Dollars Invested into Companies</b>	<b>\$130,359,057</b>
<b>People/Companies Attending Events</b>	<b>354</b>
<b>Patents Applied For</b>	<b>24</b>
<b>Issued Patents</b>	<b>19</b>
<b>Licensing Agreements</b>	<b>6</b>
<b>Commercialized Products</b>	<b>35</b>

*Data collected from the annual Innovation Center grant report to the MEDC, October 2021 and April 2022*



“Thank you! Your facility is really an essential part of the startup process. I don’t know what we’d have done without you.”

# NEXT YEAR (2022-2023)

The year ahead will be a busy one as we work to graduate several client companies and relocate them in the Kalamazoo area. Finding suitable properties to renovate or land upon which to build is a challenge, as is the increasing expense associated with supplies, construction manpower, and rising interest rates. As we transition some growing clients into the community, we look forward to welcoming some new clients currently on our waiting list.

We'll also bring back a number of regular events, even if some of them might come back as virtual events permanently. As convenient as virtual meetings are, there is something about meeting face-to-face that a computer screen cannot equal.

A final focus for the coming year is the physical infrastructure of the Innovation Center itself. Visitors are always amazed when they learn that the Center is almost 20 years old. While she still looks awfully good for her age, there are some upgrades and repairs that will be completed this coming year that will keep her looking fabulous, and efficiently serving clients, for years to come.

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“If it were not for the WMed Innovation Center, Tetra would not exist today. The biology laboratory and cutting-edge tools available to me, along with support from incubator staff, were the catalyst for the company's future success in the industry.”

