

2010

newsmaker



"The Accuri C6 continues to receive outstanding acceptance in the marketplace, as a rapidly expanding number of scientists worldwide discover the benefits of round-the-clock access to high performance flow cytometry"
- Jeff Williams, CEO, Accuri



Ex-HandyLab CEO Jeff Williams replaces Jenn Baird as Accuri Cytometers CEO

By Nathan Bomey

January 29, 2010

Accuri Cytometers is replacing founding CEO **Jennifer Baird** with ex-HandyLab CEO **Jeff Williams** in a high-profile leadership transition involving two of the Ann Arbor region's hottest medical device companies.

Baird is resigning, and Williams, who steered **University of Michigan** spinoff **HandyLab** to a \$275 million acquisition in late 2009, will lead Accuri.

The move comes after Accuri tripled sales of its cell analysis device to more than \$10 million in 2009.

Baird said she fully supports the transition and believes it's important for hastening the company's growth.

"Jeff and I have known each other for years. He's got great skills (to support) the company's growth," Baird said. "It gives me the opportunity to pay attention to some of my other entrepreneurial ventures."

Accuri chairman **George Dunbar** said in a statement that Baird and the company's board "agreed that it was appropriate to bring on a chief executive with extensive experience in growing established life science companies" due to the "rapid expansion of the company."

Accuri employs about 80 workers, most at its Scio Township headquarters. HandyLab had about 60 when it was acquired last fall by New Jersey-based global life sciences giant **Becton, Dickinson & Co.** BD has indicated that it will keep HandyLab's Pittsfield Township headquarters and add workers to continue developing the firm's rapid detection infection system.

Williams was credited with helping accelerate HandyLab's growth and turn the company into a hot acquisition target among global biotech firms. He declined to comment today through a spokeswoman.

Before HandyLab, he was CEO of an Ann Arbor startup called **Genomic Solutions**, which went public and eventually merged with **Harvard Biosciences Inc.**

"The rapid adoption of the company's initial products and our growing worldwide presence make Accuri well positioned for continued rapid growth and near-term profitability," Williams said in a statement. "I look forward to the challenge of continuing to build the company's momentum and helping lead it to further success."

Accuri raised about \$17 million in venture capital in 2008 and 2009 - funding that's paved the way for the company's local manufacturing expansion. Accuri's success vaulted Baird into the statewide spotlight -- she was featured in advertisements by the **Michigan Economic Development Corp.** boasting about the state's entrepreneurial activity.



Tim Petersen, managing director of Ann Arbor-based **Arboretum Ventures**, which invested in Accuri, said Accuri's growth doesn't mean an acquisition is imminent. But he said it's likely at some point within the next few years.

"It's not this year," he said. "We're going to grow it."

Baird is also CEO of another company called Sonetics Ultrasound Inc., which is based out of Accuri's offices.

The firm received a \$144,873 grant from the \$787 billion federal economic stimulus package last summer.

"We're not real public about where Sonetics is at the stage of the technology development," Baird said, "but we're getting close."

Ann Arbor region's Accuri Cytometers following same blockbuster path as HandyLab

By Nathan Bomey

January 31, 2010

Accuri Cytometers is on track to become the next **HandyLab** for the Ann Arbor region.

It may be hard to replicate HandyLab's blockbuster \$275 million acquisition in late 2009. But Accuri on Friday took one step toward becoming the region's next big success story by hiring HandyLab's former CEO, **Jeff Williams**.

Williams will replace **Jennifer Baird**, Accuri Cytometers' founding CEO, who earned statewide attention for steering the firm from inception in 2005 to commercialization of its cell analysis device.

From 2008 to 2009, Accuri tripled its revenues to more than \$10 million

Baird's resignation is sure to be viewed as puzzling to some who have observed her rise to statewide recognition as an entrepreneurial leader. Her presence in advertisements by the **Michigan Economic Development Corp.**, for example, is one sign of her visibility.

But Baird, who maintains an ownership stake in Accuri, said she supported the transition and believes it's critical to Accuri's development.

"Jeff and I have known each other for years. He's got great skills (to support) the company's growth," Baird said. "It gives me the opportunity to pay attention to some of my other entrepreneurial ventures."

Company officials described the move as a mutual decision because Baird is better suited to lead early-stage companies and Williams has experience shepherding a company to acquisition or public offering.

It's reasonable to conclude that Williams' mission at Accuri will be similar to his mission at HandyLab: Get the company ready for acquisition. Williams declined to comment.

Tim Petersen, an Accuri board member and managing director of Ann Arbor-based Arboretum Ventures, an Accuri investor, said an acquisition is unlikely in 2010.

But he acknowledged that the company's venture capital backers would eventually seek an exit, which typically refers to a public offering or acquisition.

"There's no plan to sell the company right away," he said. "We're going to grow it."

The similarities between Accuri and HandyLab are hard to miss:

- Both companies boast disruptive technology that aid researchers and doctors in various medical processes. Accuri sells a **cell analysis device**, and HandyLab's **rapid detection infection system** attracted interest from a variety of large biotech bidders.



- Accuri and HandyLab both employ a similar number of workers. HandyLab had about 60 when it was acquired by **Becton, Dickinson and Co.**, and Accuri has about 80, mostly at its Scio Township headquarters.
- Both companies are backed by venture capitalists. They ultimately need to reap a return on their investment to please their own institutional investors.

When BD acquired HandyLab, it was natural to fear that Williams would flee the state - a trend that depresses economic development leaders who say that fostering a strong roster of entrepreneurial management is critical for boosting the state.

So, keeping Williams in the Ann Arbor region is a coup.

It's similarly reassuring that Baird plans to stay here too. She's also CEO of another startup company called **Sonetics Ultrasound Inc.**, which is based out of Accuri's offices but not owned by Accuri.

The relatively quiet firm received a \$144,873 grant from the \$787 billion federal economic stimulus package last summer.

The company is developing diagnostic ultrasound technology.

"We're not real public about where Sonetics is at the stage of the technology development," Baird said, "but we're getting close."

Perhaps Sonetics will be the next Accuri.

Q&A: HandyLab's Jeff Williams transitions to Ann Arbor's Accuri Cytometers

By Nathan Bomey
February 7, 2010

Vibrant entrepreneurial economies are populated with startup executives who hop from one local company to another, rather than leaving the region after their first venture in search of fertile ground elsewhere.

That's why Ann Arbor startup veteran **Jeff Williams'** decision to stay here after leaving two successful firms is proving to be evidence of the region's entrepreneurial growth.

In late January, Williams resigned from Ann Arbor-based **University of Michigan** spinoff **HandyLab** two months after the medical devices firm was sold to **Becton, Dickinson and Co.** for \$275 million.

It's the second time the Chelsea resident has shepherded an Ann Arbor-based tech company to a major acquisition.

HandyLab, which will continue to expand in Ann Arbor, followed Williams' **Genomic Solutions**, which went public in 2000 and was acquired by Harvard Biosciences in 2002.

Williams joined HandyLab two years later. This time, he's not waiting two years to try his hand at another entrepreneurial venture. He resigned from HandyLab to become CEO of medical devices firm **Accuri Cytometers** as founding Accuri CEO **Jennifer Baird** stepped aside.

Accuri has about 80 employees, and HandyLab had about 60 when it was acquired.

Williams spoke with AnnArbor.com Business Review reporter Nathan Bomey about the leadership transition.

AnnArbor.com: What led to your decision to leave HandyLab?

Williams: I really felt like my job was done there. We had a very successful (exit) for the investors. And I felt like the company was in good hands with BD.

I'm more of a small company guy and I like the entrepreneurial side of things.

Accuri is at a very similar stage compared to HandyLab. How would you compare the two companies?

There's a lot of similarities.

Both have disruptive technologies based on providing a smaller, cheaper, easier-to-use system for a market where the competition really provides very large, very complex systems.

Both companies have a similar history with venture funding.

What did Jenn do for the company and how important was she to getting it to this point?



I give Jenn all the credit in the world. She did a fantastic job of building something from scratch and getting it to more than \$10 million in revenue.

You've had two successful exits with tech companies in Ann Arbor now. Is that what you're here to do: help this company get acquired or go public?

I don't know if I would state it that way. What I would say is Accuri is a venture (capital) funded company, and venture investors do expect exits at some point in the history of the company.

Typically that needs to be through an IPO or a sale.

I would say that the board does not have a time frame ... to get an exit.

Why Ann Arbor for Jeff Williams?

My wife and I made the choice years ago in 1996. We, at the time, were living in California. I decided to do a startup, pretty much could have done it anywhere in the country and really enjoyed the experience we had when I was at graduate school in Michigan.

And we said, 'Let's go back to Ann Arbor.'

Were you ever concerned that there would not be another viable opportunity for you in this area?

No, I really wasn't. I'm the type of person that likes to work. Everything you need to do a startup you've got in Ann Arbor. You've got an employee base that's experienced doing startups.

It would be nice if we could get some more venture (capital) in Ann Arbor. There's lots of interesting ideas floating around Ann Arbor.

I didn't really have any concerns at all. My idea was if the right idea came along, I would most likely do a startup here.

How would you rate Accuri's value compared to HandyLab? The \$275 million acquisition is still a huge number. Is Accuri on that level?

I certainly hope so. It's very hard to rate these things, as you know. Macroeconomic factors play a big role. Competitive factors play a big role.

Unfortunately whether a space is so-called 'hot' or not plays a big role.

At this point, in my opinion, I'd have to say Accuri is one of the most valuable assets around Ann Arbor in the life sciences space.

CRAIN'S DETROIT BUSINESS

Detroit and Southeast Michigan's premier business news and information website

People and companies breaking new ground

May 5, 2010

The automotive industry was built on innovation, but with global success came overreliance on a single industry, which for a time blunted metro Detroit's entrepreneurial edge. Following are examples of companies and institutions helping to restore a culture of innovation.

Accuri Cytometers Inc.

Ann Arbor-based Accuri Cytometers Inc. saw revenue triple last year to about \$10 million as sales of its desktop devices that automate cell analysis for researchers rose.

Jennifer Baird and Collin Rich co-founded the Ann Arbor company in September 2004 based on technology licensed from the University of Michigan. The company has since raised more than \$27 million in angel and VC investment.

In January, Jeffrey Williams was named CEO, replacing Baird, who will concentrate on her other startup, Sonetics Ultrasound Inc., a company in the R&D stage for diagnostic ultrasound devices.

Williams has a track record of taking startups with a promising product to the next level. He led Ann Arbor-based Genomics Solutions Inc., a company he founded in 1997, through an IPO and an acquisition by Boston-based Harvard Biosciences Inc. As president and CEO at Ann Arbor-based HandyLab Inc., a medical device company, he helped engineer a sale for \$275 million to New Jersey-based Becton, Dickinson & Co.

IncellDx and Accuri Join Forces to Offer Screening Solution for Cervical Cancer

HPV test will be combined with Accuri's flow cytometer to identify those whose infection is progressing to cancer

May 7, 2010

IncellDx and Accuri Cytometers are coupling technologies to offer a cervical cancer screening test. Under the supply agreement, IncellDx' HPV OncoTect™ E6, E7 mRNA test will be combined with the Accuri C6 Flow Cytometer®.

The HPV OncoTect E6, E7 mRNA test quantifies overexpression of E6/E7 mRNA in each cell as well as the total proportion of cells that are overexpressing. This information may provide a more specific indication of whether an HPV infection is transforming into cervical cancer, according to the companies.

HPV OncoTect can be used on routine liquid-based cytology samples and provides results in about 3.5 hours, IncellDx reports. An automation upgrade is also available that allows 96 samples to be processed in two hours.

It is CE marked and is available in Europe, South America, and Southeast Asia. Neither the Accuri C6 nor the HPV OncoTect E6, E7 mRNA kit has been cleared by the FDA.

"The robust, benchtop flow cytometer system has demonstrated excellent performance when combined with reagents from the HPV OncoTect E6, E7 mRNA kit," says Bruce K. Patterson, M.D., CEO of IncellDx. "With this agreement IncellDx will have an automated, complete solution for cervical cancer screening, with the potential to be widely disseminated in the global market."

The C6 flow cytometer also performs additional tests from the IncellDx product line, including the HIVTROPISM Probe and the HCVVR Viral Reservoirs Probe. These probes are currently available for research use only.

Marriage between software, manufacturing is critical to Michigan's economic future

Nathan Bomey

May 9, 2010

Overlooking the role of software expertise in preserving Michigan's manufacturing heritage is an algorithm for an economic mess.

Although popular sentiment encourages the state to cling unceasingly to its traditional manufacturing jobs, business leaders are convinced that the only type of domestic manufacturing that will survive is the kind that relies intensely on information technology expertise.

The relationship between manufacturing and software might seem uncomfortable at first, which is perhaps attributable to the demonization of the phrase "outsourcing." But several companies in the Ann Arbor region are fusing IT expertise with manufacturing know-how to create jobs.

Take, for example, the Scio Township campus of **Terumo Medical**, a Japanese-based medical device manufacturer that now employs about 500 workers here. The two Terumo divisions stationed in Scio - **Terumo Cardiovascular Systems** and **Terumo Heart** - are developing medical technology that relies heavily on software engineering.

I recently witnessed a simulated demonstration of a Terumo heart-lung machine that assists doctors in performing bypass operations. A computer screen displays a visual interface that gives physicians the ability to adjust blood flow using a touch screen. The whole system is made possible due to complex software systems.

Terumo, it can be said, is a life sciences firm, a software developer and a manufacturing company. All in one.

Classifying companies into single economic sectors can be difficult and, in some circumstances, it's silly.

Consider **General Electric**, which last year promised to hire 1,200 workers over five years at a new information technology operation in Van Buren Township. GE said Monday that it would hire another 130 workers for an advanced manufacturing complex in the Ann Arbor region, likely western Wayne County.

That announcement served as a timely reminder that GE's advanced software intelligence operation, located at the site formerly known as **Visteon Village**, is developing solutions to improve manufacturing processes of various GE technologies.

GE needs software expertise to improve the production of wind turbines, jet engines and appliances.

The "marriage ceremony" between software and manufacturing, as U.S. Sen **Carl Levin** put it last week, is a crucial relationship for Michigan.

Vic Bhagat, the site leader for GE's Van Buren Township operation, told me that software takes precedent in that relationship.

"Let's not figure out how to retool factories," he said. "Let's figure out how to retool the mindset of people, get them to start thinking about innovative processes and solutions. Manufacturing will come with it."

Retooling an entire culture is a gradual process that must include diversifying a skill base, too. The Ann Arbor region boasts

a wealth of software talent, but Michigan still needs to aggressively emphasize new software and Internet technology education.

Companies like 10-year-old Pittsfield Township-based **Solidica**, whose wireless communication technology includes a significant hardware element, needs workers with a wide range of skills.

“We’re a hardware and software company,” Solidica President **Ken Johnson** said.

Hardware talent is accessible in Michigan. Software talent? After many months struggling to find adequate software talent, he’s turning to a consultancy in Chicago that can lend its software expertise to Solidica’s technology.

“I hate doing that, but I need the best people and I’m going to go wherever in the country I need to go to,” Johnson said.

That’s not to say that Michigan is devoid of advanced software skills. Scio Township-based medical device startup **Accuri Cytometers**, for example, has benefited tremendously from its relationship with Ann Arbor-based software development firm **Menlo Innovations**.

Accuri relied heavily on Menlo to develop the visual interface for its flow cytometry system, which helps physicians and researchers conduct cell analysis. Accuri, which topped \$10 million in sales in 2009, last week sold its 500th flow cytometry device.

“For Accuri Cytometers the software was the face of the product,” said Accuri co-founder and former CEO **Jenn Baird**. “It was the thing that people would interact with. Their experience of the product was enabled by the hardware, but their experience of the product was how the software worked.”

Encouraging the development of programming skills and software expertise is critical to the future of the region’s best medical device companies, the auto industry, the alternative energy field and other companies.

“We need to continue to develop and broaden the skill set so that we are able to engage in advanced software packages and take advantage of those tools, because they shorten development cycles, improve quality, and they allow us to interface with the customer and achieve operational efficiencies,” Baird said.



People & Achievements in the greater Ann Arbor area

May 13, 2010

The following is a list of achievements by businesses and individuals in the Ann Arbor area:

- Ann Arbor-based Accuri Cytometers Inc., a life sciences company marketing and producing bench-top flow cytometer systems, has entered into a worldwide co-marketing agreement with California-based eBioscience, the number two supplier of research flow cytometry reagents. In related news, Accuri recently announced the sale of the 500th unit of its Accuri C6 Flow Cytometer.



People & Achievements in the greater Ann Arbor area

May 13, 2010

The following is a list of achievements by businesses and individuals in the Ann Arbor area:

- The Michigan Venture Capital Association will hold its annual awards dinner for its members and guests Nov. 15 in Ann Arbor. The statewide membership organization will honor several Michigan venture firms as well as venture capital recipient companies for their successes. The MVCA "Michigan 100" award winner is Cerenis Therapeutics of Ann Arbor, for raising over \$100 million in venture capital. Additionally, Jeff Williams, former CEO of HandyLab and current CEO of venture-backed Accuri Cytometers, was named MVCA Entrepreneur of the Year. The Michigan Venture Capital Association will also announce its 2011 board of directors: Ron Reed (chairman), managing director of Seneca Partners; Tom Kinnear (vice-chairman/treasurer), managing director of the Zell Lurie Institute at U-M Ross School of Business; Tim Petersen (vice chairman/chairman-elect), managing director of Arboretum Ventures; Uzma Ahmad (board secretary), attorney with Dykema Gossett PLLC; Jim Adox, managing director of Venture Investors; Jeff Bocan, managing director of Beringea; Hugo Braun, co-founder of North Coast Technology Investors; Greg Main, president and CEO of the Michigan Economic Development Corp.; John McIlwraith, managing director of Allos Ventures; Chris Rizik, CEO and fund manager of Renaissance Venture Capital Fund; Skip Simms, managing director of Ann Arbor SPARK; Mina Sooch, partner at Triathlon Medical Ventures and managing director of Apjohn Ventures; Jody Vanderwel, president of Grand Angels; Ken Van Heel, director of alternative investments and venture capital for Dow Chemical Company; and Donald Walker, managing partner of Arbor Partners.



Accuri Cytometers Raises \$6M for Smaller, Cheaper Cell Analysis Instruments

Luke Timmerman

July 12, 2010

Accuri Cytometers, the Ann Arbor, MI-based company with a vision of making high-powered cell analysis machines cheaper and more accessible to biology labs, has raised \$6 million in new venture capital.

The financing was disclosed Friday in a filing with the Securities & Exchange Commission. [Updated with list of investors] Fidelity Biosciences, Flagship Ventures, Baird Venture Partners, Arboretum Ventures, and the InvestMichigan program co-managed by Credit Suisse participated in the financing, the company said in a statement today. Accuri raised \$4 million last July, and \$13 million in July 2008.

Accuri was founded in 2005 to carve out a new market for flow cytometers that are smaller and cheaper than the ones commonly used today. These are high-speed machines that biologists use to count and catalog large numbers of various cell types in a tissue sample. Accuri's tool, called the C6 Flow Cytometer System, weighs about 30 pounds and covers about two square feet of counter space, while a competing tool from Becton Dickinson (NYSE: BDX) weighs about 10 times as much, and takes up 13 square feet, Accuri chief commercial officer Jack Ball said a July 2008 interview. At that time, Ball said Accuri was selling its machine for about \$35,000, or less than one-third the price of the bigger tool.

By offering that lower price point, along with much lower operating costs, Accuri's hope has been to make flow cytometry a much more accessible, everyday lab tool, like a microscope. In May, Accuri said it had sold its 500th C6 Flow Cytometer System.

[Added company comment, 11: 40 am] "Fueled by our continued sales growth in the U.S. and Europe and our recent expansion into international markets in Asia and South America, Accuri is now one of the fastest growing cell analysis companies worldwide," said Jeffrey Williams, President and CEO of Accuri, in a company statement. "This financing round will enable us to respond to a rising number of requests for an Accuri flow cytometer for clinical diagnostic applications."



Accuri Cytometers Completes \$6 Million Financing

By Matt Roush

July 13, 2010 12:59 AM

Ann Arbor-based Accuri Cytometers Inc. announced completion of a \$6 million Series E preferred stock financing.

The financing included current investors Arboretum Ventures of Ann Arbor, Baird Venture Partners of Chicago, Fidelity Biosciences of Cambridge, Mass., Flagship Ventures of Cambridge, Mass. and the InvestMichigan Program co-managed by Credit Suisse.

Accuri plans to use the proceeds from the Series E financing to support expansion of the Accuri C6 Flow Cytometer System into the clinical in vitro diagnostics (IVD) market.

The Accuri C6 is designed to bring the power of flow cytometry analysis to every life sciences and biomedical laboratory. Explicitly designed for routine use by scientists in their own labs, Accuri's flow cytometer is a full-featured bench-top cell analysis system that provides capabilities similar to industry-leading flow cytometers in a much more user-friendly format and at a fraction of the cost.

"Fueled by our continued sales growth in the U.S. and Europe and our recent expansion into international markets in Asia and South America, Accuri is now one of the fastest growing cell analysis companies worldwide," said Jeffrey Williams, president and CEO of Accuri. "This financing round will enable us to respond to a rising number of requests for an Accuri flow cytometer for clinical diagnostic applications, providing the same benefits of high performance, cost-effectiveness and ease-of-use experienced by our life science research customers."

Accuri is currently implementing an ISO13485 quality system in preparation for the planned European launch of the Accuri C6 Flow Cytometer with CE-IVD mark certification for clinical use, to be followed by a 510 (K) regulatory submission to the Food & Drug Administration seeking clearance to market the Accuri C6 Flow Cytometer for clinical IVD applications in the U.S.

Said Dr. Francis Mandy, consultant to the International Center for Infectious Diseases in Winnipeg, Canada: "It is welcome news that Accuri is proceeding with the development of a clinical version of the C6 flow cytometer — the compact platform offers performance to match and exceed clinical demands with ease-of-use and affordability."

The Accuri C6 Flow Cytometer is not currently cleared for human clinical in vitro diagnostic use by the U.S. Food and Drug Administration.

More at www.accuricytometers.com.



Accuri Cytometers Raises \$6M in Financing

July 15, 2010

Ann Arbor area medical devices startup Accuri Cytometers raised another \$6 million in venture capital, the company announced this morning after issuing a filing Friday with the U.S. Securities and Exchange Commission.

The financing will help Accuri tailor its cell analysis device for use in the in vitro clinical diagnostics market, officials said.

The new funding comes after Accuri raised \$4 million in 2009 and \$13 million in 2008 -- financing that helped the firm expand its manufacturing capacity for its cell analysis device and introduce a key accessory to its main product. Ann Arbor-based venture capital firm Arboretum Ventures, a previous investor in Accuri, participated in the company's latest funding round. The InvestMichigan! Program, a venture capital fund managed for the state by global investment firm Credit Suisse, also provided financing along with Baird Venture Partners, Fidelity Biosciences and Flagship Ventures.

Medical devices startup Accuri Cytometers raises \$6 million in financing

By Nathan Bomey

July 20, 2010

Ann Arbor area medical devices startup **Accuri Cytometers** raised another \$6 million in venture capital, the company announced this morning after issuing a filing Friday with the U.S. Securities and Exchange Commission.

The financing will help Accuri tailor its cell analysis device for use in the in vitro clinical diagnostics market, officials said.

The new funding comes after Accuri raised \$4 million in 2009 and \$13 million in 2008 -- financing that helped the firm expand its manufacturing capacity for its cell analysis device and introduce a key accessory to its main product.

Ann Arbor-based venture capital firm **Arboretum Ventures**, a previous investor in Accuri, participated in the company's latest funding round. The **InvestMichigan! Program**, a venture capital fund managed for the state by global investment firm **Credit Suisse**, also provided financing along with **Baird Venture Partners**, **Fidelity Biosciences** and **Flagship Ventures**.

Accuri's cell analysis device is already available for various laboratory functions but the company wants regulatory approval to sell it for IVD uses.

"This financing round will enable us to respond to a rising number of requests for an Accuri flow cytometer for clinical diagnostic applications, providing the same benefits of high performance, cost-effectiveness and ease-of-use experienced by our life science research customers," Accuri CEO **Jeff Williams** said in a statement.

Scio Township-based Accuri, which had about 80 employees earlier this year, topped \$10 million in revenue in 2009 for its C6 flow cytometry device.

Venture funding typically helps companies introduce new products, hire more employees or expand facilities.

Williams, in an e-mail, declined to discuss Accuri's hiring plans but said the company now has 87 employees.

"The Accuri C6 continues to receive outstanding acceptance in the marketplace, as a rapidly expanding number of scientists worldwide discover the benefits of round-the-clock access to high performance flow cytometry," Williams said in a May 6 news release. "We look forward to reporting on further innovative uses as our growing customer base applies the power and versatility of the Accuri C6 to both traditional and novel applications."

The financing comes five months after Williams joined Accuri. He came to the firm after his previous company, Pittsfield Township medical devices startup **HandyLab**, was sold for \$275 million to **Becton, Dickinson and Co.**

Williams took over for Accuri cofounder Jenn Baird, who is leading Scio Township startup **Sonetics Ultrasound**.



Michigan companies secure more than \$120 million in venture capital, statewide group reports

By Nathan Bomey

August 27, 2010

Venture capitalists have invested \$123 million in Michigan companies so far in 2010, according to a report released today by the Ann Arbor-based Michigan Venture Capital Association.

That's up 35 percent compared to the same period in 2009, MVCA reported. Some \$51.75 million was delivered to one company, Cerenis Therapeutics, a biotech firm with dual headquarters in Ann Arbor and France.

"This report conveys the progress the venture and entrepreneurial community has made in Michigan," MVCA executive director LeAnn Auer said in a statement. "Our year-to-date numbers are substantially higher than last year, proving there are both exceptional companies to fund in our state as well as a growing VC community here to support them."

VC investors have made 10 investments in Michigan companies in 2010. Those investments include \$7 million for Ann Arbor-based battery startup Sakti3, \$6 million for Scio Township-based medical devices maker Accuri Cytometers, \$5 million for Ann Arbor-based medical devices startup CytoPherx.

Other startups that have pulled in VC dollars in 2010 include Lycera (\$11 million) and Delphinus Medical Technologies (\$8 million), firms that have moved into the Plymouth Township business incubator called the Michigan Life Science and Innovation Center, which is managed by Ann Arbor SPARK.

U-M's Entrepalooza: Splitting up startups is risky, Ann Arbor entrepreneur Jeff Williams argues

By Nathan Bomey
September 27, 2010

Splitting a startup company into multiple different physical locations is risky, one of the Ann Arbor region's most successful entrepreneurial executives said this morning.

Former **HandyLab** CEO **Jeff Williams** said major corporations that are considering acquiring startup companies prefer it to be contained in "one nucleus." Williams led the Pittsfield Township-based University of Michigan spinoff to a \$275 million sale in November to **Becton, Dickinson and Co.**

Williams, now CEO of Scio Township-based medical devices firm **Accuri Cytometers**, said startup companies that are split into many parts present challenges to prospective buyers.

"I strongly recommend that you build it one location," Williams told a crowd of entrepreneurs and business students this morning at the University of Michigan Zell Lurie Institute for Entrepreneurial Studies' Entrepalooza Symposium.

"It's really much easier when you go to sell the company. Nobody wants to buy a company that's spread in 15 different locations, and the manufacturing's been outsourced and the R&D's been outsourced."

Williams cautioned startup companies to consider the implications of setting up different offices and operations.

"I think the trend today is the opposite and that's to spread stuff all over the place and not worry about it," he said. "I guess if that's the only way to do it that's OK, but just realize it's going to be more painful and you're going to have fewer buyers for the company."

His comments come as U-M biotech spinoff Lycera Corp. is experiencing turmoil at the top after splitting up its corporate headquarters and scientific operation earlier this year.

Lycera, which moved its headquarters to Massachusetts in January but kept its R&D at a business incubator in Plymouth Township, has split with CEO **Bill Sibold**, according to Xconomy.com.

Lycera chairman **Jeff Leiden** told Xconomy that despite Sibold's departure, "all scientific, development and business development activities are on or ahead of schedule and will continue to move forward unchanged."

Splitting up a startup company into different locations is not altogether perilous. It worked well for U-M spinoff Arbor Networks, which is being acquired by Plano, Texas-based **Tectronix Communications**. Arbor maintained its R&D headquarters in Ann Arbor but its corporate headquarters is in Massachusetts.

But **Jeff Bocan**, managing director at global investment firm **Beringea's** Farmington Hills office, said a physically divided startup company presents challenges to potential acquirers.

"I think there's a lot of truth to that," Bocan said in an interview. "Every time you set up a physical location, you almost always have an office manager, you have a lease, you're paying rent. When it's one facility, it's cleaner for one company to take on. It's less complicated. We all want our lives simplified."



Analysis: HandyLab's departure is painful, but keeping employees in Ann Arbor presents opportunity

By Nathan Bomey

October 14, 2010

That Pfizer left Ann Arbor was lamentable. But the lessons of Pfizer's exodus are valuable.

And that experience illuminates a pathway for converting Becton, Dickinson and Co.'s decision to close its HandyLab office into seeds of economic activity for the Ann Arbor region.

BD's decision to close HandyLab's 50-person office by July 2011 quickly turned into a political football because Ann Arbor venture capitalist and Republican gubernatorial candidate Rick Snyder was chairman of the company when it was sold to BD for \$275 million in late 2009.

But the politics of the moment obscure the reality of the economic development implications of HandyLab's departure. This moment, albeit regrettable, is an opportunity.

"It's important to understand that when companies announce that they're leaving the area, the majority of the employees are not going with them, especially if it's a long-distance move," said Michael Finney, CEO of Ann Arbor SPARK. "On the surface it appears you're going to lose all these people, and certainly any loss is a loss. But there are a lot of folks from that operation who are going to stay in this area."

That's a Pfizer lesson, so to speak. Pfizer's January 2007 decision to shutter its Ann Arbor operation by the end of 2008 displaced more than 2,100 workers. Still, about one-third of the scientists and employees of Pfizer's 2-million-square-foot Ann Arbor operation ultimately chose to stay in the Ann Arbor region, according to SPARK's research.

Ex-Pfizer employees launched about 23 startup companies in the Ann Arbor region, including several contract research organizations, which are benefiting from the same pharmaceutical industry restructuring that led to Pfizer's departure.

Ann Arbor economic development officials hope HandyLab's employees will consider staying in Ann Arbor, becoming entrepreneurs and joining local tech companies.

Finney said the region's half-dozen business incubators, SPARK's startup services and the University of Michigan's business engagement activity offer invaluable assistance to HandyLab employees hoping to stay. Finney is meeting with BD next week to discuss ways to help employees connect with local entrepreneurial resources.

"We've got an ecosystem to support entrepreneurs that in place now that we didn't have in January 2007," Finney said. "The whole effort we've had under way for the past several years of creating an entrepreneurial ecosystem is really designed to deal with situations where companies are spinning out technologies, companies are leaving the area and the employees are not."

Stephen Rapundalo, executive director of MichBio, the state's life sciences association, said he was hopeful that the Ann Arbor region could retain most of the HandyLab employees.

The U-M spinoff firm had a wide variety of employees, including electrical engineers, software engineers, financial workers, sales employees and administrators.

Several Ann Arbor startups are currently looking to hire employees with similar skills. Early-stage medical device startups like U-M spinoff Tangent Medical Technologies and Karmanos Cancer Institute spinoff Delphinus Medical Technologies are also hiring engineers. Fuel cell firm Adaptive Materials is also hiring several engineers.

A BD spokeswoman did not respond to a request seeking information on whether the company would offer buyouts or transfers. Three employees have already been laid off and an unknown number of other workers have been offered transfers, sources said.

One engineer still employed with the company said he had been offered a new job with BD on the East Coast but that he would likely turn it down as long as he can find a job with a new Ann Arbor startup.

One possible destination for the employees is Scio Township-based medical devices startup Accuri Cytometers, whose CEO, Jeff Williams, was CEO of HandyLab until January.

“There’s companies like Accuri and other companies that I’m sure will be able to absorb (some of) the people,” Williams said. “My real hope is that some of them have gained real skills and some of them start their own companies.”

Williams said it’s more plausible to keep the employees in the Ann Arbor region than it was a decade ago.

“When I first moved back to Michigan in ‘97, there wasn’t even close to this community that developed,” Williams said. “There’s been a lot of very good progress made in the last 10 years.”

Executive of the Year: Jeff Williams: From frugal startup to blockbuster tech deal

By Nathan Bomey
November 5, 2010

The health care system is better off because **Jeff Williams** helped **HandyLab** develop its technology to the point where it was ready to disrupt the market for infection detection devices.

Williams, who became CEO of **HandyLab** in 2004, built the University of Michigan spinoff company to the point where corporate competitors were ready to hand over their life savings to get the company. And that's essentially what happened.

New Jersey-based giant **Becton, Dickinson and Co.** paid \$275 million to acquire HandyLab in late 2009, a deal that local investors, entrepreneurs and economic developers considered a blockbuster success.

It was the Ann Arbor region's second largest acquisition of the last decade, trailing only **Esperion Therapeutics'** \$1.4 billion sale to Pfizer in 2004.

HandyLab's local investors - venture capital firms **Ardesta**, Ann Arbor-based **EDF Ventures**, Ann Arbor-based **Arboretum Ventures** and the U-M student-led **Wolverine Venture Fund** - reaped huge returns on their investments.

After the deal, Williams quickly became CEO of Scio Township-based medical devices firm **Accuri Cytometers**, another one of the region's most high-profile startup companies. He proceeded to help Accuri raise \$6 million in venture capital just months after joining the company.

Williams, a veteran of Ann Arbor's tech community, was named **Executive of the Year** on Friday at AnnArbor.com Business Review's 2010 "Deals of the Year" ceremony.



That BD decided in early October that it did not need HandyLab's Pittsfield Township facility was regrettable. And the decision quickly turned into a political football, because then-gubernatorial candidate **Rick Snyder's Ardesta** was an early investor in HandyLab and Snyder himself was chairman of the company when it was sold.

But people familiar with similar business transactions say it's unprecedented to force the company that pays for an acquisition to maintain a local office. You have to hope and pray - and try to convince the new company that the local talent pool makes it worth sticking around.

BD is leaving Ann Arbor by July 2011 solely because it ultimately decided it didn't need two separate facilities to manufacture HandyLab's rapid detection-infection device, a corporate spokeswoman said. Some of the 50 employees will be transferred to other BD facilities outside Michigan.

Williams is disappointed, but says HandyLab's legacy will benefit Ann Arbor's tech community.

"They have to do what they think is right for their business. They own the business, they bought it, and they the make the decision that's appropriate for their shareholders. That's part of capitalism," Williams said after BD announced its

decision. “I hope that the employees of HandyLab go on to start the next tech company in Ann Arbor. That’s how we grow a technology (industry).”

HandyLab’s **Jaguar** device, which reduces the time it takes a hospital to identify infections from more than a day to a matter of an hour or so, will help lower health care costs and improve patient care.

BD still considers the technology, which was first nurtured by HandyLab founders **Kalyan Handique** and **Sundaresh Brahmasandra**, extremely valuable.

It took years, and millions in venture capital, to develop. When Williams joined HandyLab in 2004, four years after it had been founded, the company had raised just \$8 million in VC funding. Over the next four years, however, he helped the company raise another \$50 million or so.

Williams managed costs efficiently - a frugal startup executive before it was fashionable - and helped HandyLab find the best ways to alter its device and market it. HandyLab added about 30 employees during his five-year tenure with the firm - a talented personnel roster that included electrical engineers, software engineers, financial workers, sales employees and administrators.

In September, Williams, addressing a crowd of business students and entrepreneurs at the **University of Michigan Ross School of Business’** “Entrepalooza” conference, suggested that HandyLab’s blockbuster acquisition was an exception to the rule.

Medical device companies don’t usually get sold for \$275 million, he acknowledged.

“Those are very few and far between. The vast majority of companies sell for less \$100 million and almost all of them sell for less than \$150 million,” he said.

That’s not to say, though, that HandyLab wasn’t worth it.

“You’re never going to have a great exit,” he said, “unless you build a great company first.”



Business Review announces winners of 2010 Deals of the Year awards

By Paula Gardner

November 6, 2010

AnnArbor.com's Business Review announced the winners of its 2010 "Deals of the Year" awards at its 6th annual gala Friday night.

The event, held at Eastern Michigan University's Student Center, featured top awards presented to Zingerman's Family of Businesses as Company of the Year and Jeff Williams, ex-CEO of HandyLab, as Executive of the Year.

A crowd of 400 people attended the presentation, the area's largest black-tie business event. Among the attendees was Rick Snyder, Michigan's governor-elect and Business Review's 2005 Executive of the Year.

The awards, which were not announced in advance, were chosen by AnnArbor.com after community members suggested nominees. Three finalists for 7 sector awards were announced on Oct. 1.

The winners:

Company of the Year: Zingerman's Family of Businesses

Ann Arbor's iconic deli grew into a family of 8 businesses in 2009 and now is poised for still more growth: Zingerman's received approvals to build a multi-million dollar expansion of its Detroit Street deli complex that will add 10,430-square-feet of new construction to the Kerrytown property and further cement the business's place in Ann Arbor.

Executive of the Year: Jeff Williams

As CEO of HandyLab, Williams helped the company develop its technology to the point where New Jersey-based giant Becton, Dickinson and Co. paid \$275 million to acquire HandyLab in late 2009.

It was the Ann Arbor region's second largest acquisition of the last decade, trailing only Esperion Therapeutics' \$1.4 billion sale to Pfizer in 2004.

BD is closing the local facility, but Williams is moving on as CEO of another local company: Accuri Cytometers.

Commercial Real Estate: Masco Cabinetry

The former Flint Ink headquarters in Ann Arbor Township had been listed for sale for years until the multi-billion-dollar Masco Inc. saw the potential to use the showcase building for a division headquarters. Now the nation's leading cabinet brands - including Merillat and KraftMaid, - will be based in the Ann Arbor region. Masco Cabinetry, after months of customizing the building and the property, is moving existing employees from Ohio and Adrian, and also plans new hires, with the goal of having 450 people working the 150,000-square-foot building within 5 years.

Construction & Development: North Quad/University of Michigan

The first new dormitory on U-M's campus in decades, North Quad replaced the former Frieze Building on South State Street. The \$175 million, 360,000-square-foot structure houses 450 students and classroom space, crating a defining building on the western edge of Central Campus. The construction also effectively extended South State, giving a boost to the property owners and businesses located along the corridor. At the same time, North Quad preserved the historic façade of the small Carnegie Library that had been on the site for more than 100 years.

Health Care: NanoBio

The University of Michigan biotechnology spinoff is adding 4 laboratories and office space to fuel the expansion of its nanotechnology-based drug treatments. The expansion comes after NanoBio struck a major licensing deal with

pharmaceutical firm GlaxoSmithKline, which agreed to pay NanoBio up to \$40 million for the right to market NanoBio's cold sore treatment. NanoBio, which is led by global nanotechnology expert and CEO Jim Baker, will use the funding to continue hiring scientists to help develop its other drug technologies.

Nonprofit: Ann Arbor/Ypsilanti Regional Chamber of Commerce

The business advocacy groups for the two communities had long operated separately, despite embracing similar missions - and even member overlap. Yet leadership of each group recognized a unique opportunity to set a regional example of cooperation and collaboration by initiating a merger. The deal came as the groups faced challenging budgets, but the true impact comes from erasing the 'invisible line' drawn for decades along US-23.

Research: Domino's Pizza

The Ann Arbor Township-based international chain spent more than 18 months researching and testing a new pizza recipe. Domino's launched an innovative marketing campaign to promote the overhaul of its centerpiece product, and customers and franchisees embraced it. The new recipe, guided by former CEO David Brandon and new CEO Patrick Doyle, helped same-store sales rise 14.3 percent in the critical first quarter after the recipe was introduced. In an extremely competitive industry, that's supreme.

Retail: Underground Printing

Co-owners Ryan Gregg and Rishi Narayan lived in the University of Michigan's West Quad when they decided to start a t-shirt production business. The \$8.5 million operation is growing fast, in part due to the team's other strategy: Opening retail collegiate team apparel stores in select markets. With stores in 8 states, their primary market remains Ann Arbor. Over the past year Underground Printing expanding a store on South University, opened one on Main Street and bought the iconic Moe Sports Shop near the Diag.

Technology: Renaissance Venture Capital Fund

The fund, led by Ann Arbor-based investor Chris Rizik, raised \$50 million from corporate partners to provide cash to venture capital firms with a focus on Michigan technology investments. The group, formed in cooperation with Business Leaders for Michigan, is relying exclusively on private funding to help boost Michigan entrepreneurs. Local firms that have already received funding include Ann Arbor-based Arboretum Ventures and RPM

Also presented on Friday night were the 2010 **FastTrack** awards, given annually to the area's growing companies that fit the criteria set by Ann Arbor SPARK.

For the 2010 FastTrack recipients, companies were required to have revenue of at least \$100,000 in 2006, and average growth of 20 percent for the following three years. To qualify, companies reported 2009 revenues greater than 2008 revenues.

First-year winners: Beal Inc., Mayaterials Inc., Pure Visibility Inc., Sensitile Systems.

Second-year winners: Beal Properties LLC, Caelynx LLC, Medhub Inc.

Third-year winners: LLamasoft Inc., SRT Solutions.

Four-year winner: ForeSee Results.