2014-2015
MICHIGAN VENTURE CAPITAL
ANNUAL RESEARCH REPORT
Growing Businesses in Michigan
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GM Ventures is proud to support the Michigan venture capital community and recognizes the economic growth potential it provides the state of Michigan.
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Dear Friends

Michigan is proud to be the Comeback State, and a large part of our ongoing reinvention is credited to our investment in a strong entrepreneurial environment. We have worked hard to build one of the most complete support systems in the country.

At the center of Michigan’s support for innovators looking to launch and grow new business ventures in Michigan is an active and thriving venture capital community driven by the Michigan Venture Capital Association and its members. Venture capital firms and angel investors continue to invest in startups, not only bringing capital, but also sharing their expertise in launching successful businesses with companies that are expanding Michigan’s economic base.

The role of venture capitalists in Michigan’s entrepreneurial economy is critical to our state’s long-term economic success. As startups continue to grow, we are retaining more young talent, creating a better business environment, and expanding opportunities for Michiganders to live, work and raise a family in our state for generations to come.

Your efforts to invest in our state’s future and promote all the exciting things happening in Michigan are greatly appreciated. Thanks in part to your support, entrepreneurs and investors from across the country and throughout the globe are choosing to do business right here in Michigan.

On behalf of the state of Michigan, thank you to the Michigan Venture Capital Association for your leadership in helping to reinvent our state, grow new businesses, and create more and better jobs.

Sincerely,

Rick Snyder
Governor
Dear Readers

We are pleased to present the 2015 MVCA Annual Research Report, which reflects a growing and vibrant angel and venture capital community in Michigan. Michigan’s entrepreneurial ecosystem continues to build momentum and has been integral to the state’s long-term economic recovery.

Thanks to the diligent participation of Michigan’s venture capital firms and angel investors, our report is able to present an accurate look at our industry and its contribution to Michigan’s economy. There are currently 129 venture-backed companies in Michigan, a 70% increase over five years ago. Michigan venture firms actively support the state’s fastest growing young companies, with local investors involved in 97% of all startup funding rounds in 2014. Add to that an almost doubling of the number of venture capital professionals living, working and investing in Michigan and 45% growth in the number of investors in angel groups, and it’s easy to see how vital the venture capital and angel community is to creating long-term viability for a robust entrepreneurial ecosystem in our state.

As we analyze the past year, we do so knowing that the demand for venture capital funding is growing in Michigan. MVCA’s survey of venture capital investors in Michigan found that their Michigan-based portfolio companies will require at least $1.3 billion over the next few years, from firms that have approximately $108 million available for follow-on investments. This creates a need for more venture capital firms to locate here and more capital to be raised by firms already dedicated to investing in the state, in order for more startup companies to be funded, grown and permanently located in Michigan.

We’ve also added some new metrics to our annual survey this year; throughout the 2015 report, we’ll explore:

• Not just what our industry contributes, but who is making the contributions to the growth of venture capital. In particular, we assess the number of women and minorities in the industry and are working to establish a benchmark for future analysis.

• Angel-backed companies, highlighting the significant early-stage contributions angel investors make in some of Michigan’s most exciting startups. We invite you to take a closer look at these angel-backed businesses, nominated by their investors as examples of the promising companies supported by Michigan’s angel groups.

We’re grateful for the participation and support of our entire community to make the 2015 MVCA Research Report an accurate, reliable reflection of angel and venture capital activity in Michigan. As we build on the momentum our members and Michigan startups create, we vow to keep Michigan a premier Midwest and national venture capital center of excellence for many years to come.

All the best,

Maureen Miller Brosnan
Executive Director
The Venture Capital Environment in Michigan
Michigan’s Venture Capital Firms

There are 37 private venture firms operating in Michigan. Twenty six are headquartered in Michigan and an additional 11 are headquartered elsewhere with a Michigan office. There are also two fund of funds and two corporate venture funds in Michigan. All together, these firms employ a total of 130 investment professionals in Michigan.

VENTURE CAPITAL FIRMS HEADQUARTERED IN MICHIGAN
Apjohn Ventures
Arbor Partners
Arboretum Ventures
Augment Ventures
Beringea, LLC
BioStar Ventures
Cascade Partners
Detroit Innovate*
Detroit Venture Partners
EDF Ventures
First Step Fund
Fontinalis Partners, LLC
Griffon Ventures
Hopen Life Science Ventures
Huron River Ventures
IncWell*
Ludlow Ventures
Michigan Accelerator Fund-I
Michigan eLab
North Coast Technology Investors
Plymouth Ventures
Resonant Venture Partners
RPM Ventures
Start Garden*
TGAP Ventures
Wolverine Venture Fund

OUT-OF-STATE VENTURE CAPITAL FIRMS WITH A MICHIGAN PRESENCE
Arsenal Venture Partners
Baird Capital
Cultivian Sandbox Ventures
Draper Triangle Ventures*
Early Stage Partners
Flagship Ventures
Fletcher Spaght Ventures
Mercury Fund*
MK Capital
Open Prairie Ventures
Venture Investors

MICHIGAN-BASED VENTURE CAPITAL FUND OF FUNDS
Renaissance Venture Capital Fund
Venture Michigan Fund

CORPORATE VENTURE FUNDS
Dow Venture Capital
GM Ventures

*New from prior year
Venture Capital Environment in Michigan

Michigan’s economic health depends on the existence of a diverse range of active, growing businesses. The most-promising Michigan companies are often fast-growing technology, life science, or advanced manufacturing companies that need to scale operations quickly in order to reach their potential. These companies, in hyper-growth mode and in need of employees, sales and back-end support, seek capital from early-stage investors in order to realize their potential as a new driver of economic activity in the state.

When the capital these startups need is plentiful and proximate, founders tend to grow the company where it was “planted.” In Michigan, access to early-stage capital has been a long-running challenge and, if unaddressed, could give high-growth businesses a reason to relocate to more capital-rich markets.

Examining the known demand for future venture capital investment in Michigan reveals the total demand for capital is likely much higher than the capital currently available in the state. Michigan venture capital professionals estimate that companies in their current portfolio requiring more capital — the known demand — will approach $1.3 billion in the next few years. Coupled with the unknown demand, the total future demand for venture capital exceeds $1.3 billion.

- There are currently 129 venture-backed companies in Michigan, a 70% increase in the last five years. This figure doesn’t include startup companies that are preparing to seek investment or are currently fundraising.
- Venture capital firms in Michigan have an estimated $108 million reserved for additional investment into these existing successful Michigan-based companies.

$1.3 BILLION NEED FOR FOLLOW ON INVESTMENT

Historically, 56% of the funding for a startup comes from out of state
Historically, 44% of the funding for a startup comes from in state need

Even with evidence of a projected disparity, Michigan has seen 86% growth in the last five years of total venture capital under management.

Total venture capital funds under management of firms headquartered in Michigan in 2014 was $1.7 billion, an increase of 45% in the last five years

- Total venture capital funds under management of national firms with an office in Michigan in 2014 was $3.1 billion, an increase of 122% in the last five years.

National firms often bring additional out-of-state investors into Michigan deals, further growing the amount of capital flowing into Michigan from outside the state.

Total venture capital available for new investments of firms headquartered in Michigan or national firms with an office in Michigan in 2014 was $876 million, an increase of 158% in the last five years. This capital is available for new investment opportunities across all stages, industry sectors, and geographical regions.
Out of the total $4.8 billion under management in Michigan, the majority of the capital has already been deployed into promising companies, with a small amount reserved for follow-on investments and a portion available for new companies seeking venture capital.

“TRS has had tremendous support from Michigan venture firms who have provided substantial funding used to establish our company, develop our technology and successfully execute our business plan.”

– Jim Fitzsimmons, CEO, Tissue Regeneration Systems
Michigan’s Venture Capital Firms Support Michigan Businesses

Michigan venture firms are a critical factor in Michigan startups success. With Michigan venture investors backing 97% of all Michigan venture-funded startups, the health of our state’s entrepreneurial economy hinges on local venture firms’ ability to provide capital to our high-growth potential companies.

Fifty one companies in Michigan received more than $204 million from Michigan venture capital firms in 2014. This is an 89% increase in the last five years (and a 247% increase in the last ten years!). There are now 129 venture-backed companies growing and hiring in Michigan, an increase of 70% in the last five years.

“Michigan venture capital firms have played a significant role in Larky at every stage of the company; from initial concept through customer acquisition and growth. This has included feedback on our business concept, introductions to key partners and prospective clients, funding, and much more.”

– Gregg Hammerman, CEO, Larky

While Michigan venture funds invest in a wide variety of sectors, the Life Science and Information Technology sectors continued to be the main focus of capital deployment in Michigan in 2014. Thirty six percent of the companies that received venture capital funding in Michigan in 2014 were life science companies. Forty four percent of the companies that received venture capital funding in Michigan in 2014 were Information Technology companies.

8% of the 51 venture-backed companies in Michigan had CEOs who were women and none had CEOs who were minorities.

9% of the 129 active venture-backed companies in Michigan had CEOs who were women and 6% had CEOs who were minorities.

**TOTAL AMOUNT INVESTED IN MICHIGAN STARTUPS IN 2014 by Sector**

- 68% Life Science/Healthcare
- 18% Information Technology
- 6% Media
- 5% Advanced Materials & Manufacturing
- 2% Consumer Products
- 1% Other

**VENTURE CAPITAL INVESTMENT IN MICHIGAN IN 2014 by Sector**

- 44% Information Technology
- 36% Life Science/Healthcare
- 6% Consumer Products
- 2% Business Services (non IT)
- 6% Advanced Materials & Manufacturing
- 2% Media
- 6% Other
MICHIGAN STARTUPS THAT RECEIVED VENTURE CAPITAL INVESTMENT IN 2014

**ADVANCED MATERIALS & MANUFACTURING**
- Detroit Materials
- Energetx
- Fusion Coolant

**BUSINESS SERVICES (non IT)**
- Lynx Network Group, Inc.

**CONSUMER PRODUCTS**
- American Mountain Company
- Detroit Institute of Music Education
- Turtlecell

**INFORMATION TECHNOLOGY**
- A2B Bikeshare
- AdAdapted
- Amplifinity
- Blackbird RSVP
- Career Now
- Cribspot
- Flip Learning, LLC
- Larky
- Nutshell
- OwnThePlay
- PrograMax
- Reach Influence
- SirionLabs, Inc
- Sky Specs
- Social Proof

**LIFE SCIENCE/HEALTHCARE**
- Akadeum
- Algal Scientific
- ArborMetrix
- Axonia
- CytoPhex
- DeNovo Sciences
- Diplopia
- Great Lakes Caring
- HistoSonics
- Metabolic Solutions
- nanoRETE
- NeuMoDX
- ProNAi
- Respondwell
- Tissue Regeneration Systems
- Tolera Therapeutics
- Vesteron

**MEDIA**
- GSTV

**OTHER**
- FarmLogs
- Zipments

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Venture-backed startups that find success scaling operations and growing their workforce post-investment often reach a critical inflection point where a new infusion of capital is required for future growth. This further investment by existing investors is called **Follow-on Funding**.

**NUMBER OF MICHIGAN STARTUPS RECEIVING VENTURE CAPITAL INVESTMENT EACH YEAR**

- **2005**: 15
- **2006**: 13
- **2007**: 19
- **2008**: 33
- **2009**: 25
- **2010**: 27
- **2011**: 38
- **2012**: 34
- **2013**: 40
- **2014**: 51

The amount of venture capital invested in Michigan startups has increased by 152% in the last 10 years.

**2014 INVESTMENTS**

- **$204M**
- **58% Initial Investment**
- **42% Follow-On Investment**
Attracting Capital to Michigan’s Growing Businesses

Michigan’s venture capital community plays a critical role in bringing and leveraging outside startup and investment capital to Michigan startups. Michigan-based venture capital firms are often the first to identify strong Michigan investment opportunities, and can then provide deal leadership and connections to potential out-of-state syndicate partners.

Michigan venture capital firms invested in 97% of all Michigan startups that received any venture capital in 2014.

51 Michigan Startups Received Venture Capital Investment in 2014

Every $1 invested in a Michigan Startup Company by a Michigan-based Venture Capital Firm Attracts $2.90 of Investment from Outside of Michigan

Non-Michigan Institutions: 41%
Individuals: 28%
Other Michigan-based Fund of Funds: 13%
Out of State Venture Capital Firms: 11%
Michigan-based Institutions: 7%

Michigan-based Venture Capital Firms

Out of State Venture Capital Firms

$204 Million
Getting Michigan’s growing companies the capital they need

- For every $1 invested by Michigan venture firms in a Michigan company, $2.90 was invested by out-of-state partners.

Most early stage, fast-growing companies need more money than is available to them from one venture firm. When that happens, Michigan venture firms already involved with (or interested in) the opportunity will make connections and advocate for the startup in order to assemble the additional capital it needs to succeed.

- 61% of all startups that received investment in 2014 received investment from more than one investor, 24% of all startups that received investment in 2014 received investment from more than one Michigan investor.

Attracting out of state capital to Michigan businesses

- 264 venture capital firms from outside of Michigan have invested in startups in Michigan. Of all venture capital invested in Michigan companies last year, a full 65% of all capital invested came from venture firms located outside of Michigan who were brought into Michigan-based deals by, in many cases, Michigan venture firms. In order to keep attracting out-of-state investment into Michigan companies, we need a large and diverse group of Michigan venture professionals who are well-connected to the national VC community.

“Our most recent investment was in a Detroit company, and it wouldn’t have happened without an introduction to the deal from one Michigan venture firm and the participation by two others as co-investors. It’s a great example of Michigan’s venture capital community using their strong national network to support a fast-growing local company.”

– Dov Rosenberg, Director, Allos Ventures (Cincinnati, Ohio)
Michigan’s Diversified Economy

Venture capital investors in Michigan support companies in a wide variety of sectors and stages. As startup companies grow and thrive, Michigan’s economy becomes increasingly diverse. Having a full pipeline of businesses at all stages of growth and across many sectors creates a breadth of opportunities for the people and businesses in Michigan.

While Michigan venture funds invest in a variety of sectors, historically, 53% of early-stage capital invested in Michigan was invested in Life Science companies. More specifically within the sector, more than half of that Life Science investment went to Pharmaceuticals and Medical Devices startups.

- There are currently 38 venture backed Life Science companies located in Michigan.

Startups in the Information Technology sector also receive a significant amount of venture capital investment. Nineteen percent of dollars invested by Michigan venture capital firms. Of those investments, Software companies accounted for 84% of all investments made in the IT sector.

- There are currently 55 venture backed IT companies located in Michigan.

### Sector

**53%** Life Science

**19%** Information Technology

**7%** Alternative Energy

**5%** Advanced Materials & Manufacturing

**8%** Business Services

**2%** Other

**1%** Consumer Products

**5%** Media

### LIFE SCIENCE by dollars invested

- **34%** Diagnostics
- **16%** Devices
- **34%** Pharmaceuticals
- **14%** Devices
- **7%** Healthcare Services
- **3%** Animal Health & Agriculture
- **4%** Biotechnology

### INFORMATION TECHNOLOGY by dollars invested

- **84%** Software
- **8%** Hardware
- **8%** Services
Venture capital investors invest in startup companies at various stages of maturity. Typically, companies need venture capital from “seed” stage until they grow into the “mezzanine” stage.

### Stage Diversification

- **Seed:** 51% of the total amount invested by Michigan venture firms has been invested in the early stage of a company’s development, while 30% has been invested in the growth/expansion stage.

#### FUNDERs

- Augment Ventures
- Arbor Partners
- Cascade Partners
- Hopen Life Science Ventures
- Baird Capital
- MK Capital
- Open Prairie
- Beringea, LLC
- Fletcher Spaght Ventures
- Early Stage Partners
- Apjohn Ventures
- Fontinalis Partners, LLC
- IncWell
- North Coast Technology Investors
- Start Garden
- Tgap Ventures
- Arsenal Venture Partners
- Cultivan Sandbox Ventures
- Flagship Ventures
- Venture Investors
- Arboreturn Ventures
- Detroit Innovate
- Detroit Venture Partners
- EDF Ventures
- First Step Fund
- Griffon Ventures
- Huron River Ventures
- Ludlow Ventures
- Michigan eLab
- Resonant Venture Partners
- RPM Ventures
- Wolverine Venture Fund
- Draper Triangle Ventures
- Mercury Fund
- Plymouth Ventures

### About Half (51%) of the Total Amount Invested by Michigan Venture Firms Has Been Invested in the Early Stage of a Company’s Development, While 30% Has Been Invested in the Growth/Expansion Stage.

### Seed

Companies in the seed stage have already put their own money into their company, may have angel investment, and are now looking to raise venture capital, develop prototypes, and identify customers.

### Startup/Early

The stage where companies fund activities with the above types of capital and start to earn revenues from operations but is not yet cash flow positive (with more money coming in than going out).

### Growth/Expansion

The stage where companies fund activities with the above types of capital, start to earn revenues from operations and is cash flow positive, and is potentially able to obtain bank financing.

### Mezzanine

The stage where companies fund activities with the above types of capital, earns revenues from operations, is cash flow positive, and is potentially able to obtain bank financing or private debt.
Michigan’s Startup Successes

Ideally, every early-stage investment made by a Michigan venture firm would result in a stable, large company whose identity and employee-base are closely tied to the Michigan community where it began. In many cases, this has in fact been the result. But this outcome is secondary to the venture firm’s main objective of keeping the startup healthy and able to take advantage of every opportunity for growth. Sometimes, these opportunities take the startup outside of the state, but the return on investment always comes back to the Michigan venture firm, freeing capital to invest again in new Michigan-based startups.

A TIMELINE OF MICHIGAN SUCCESSES

<table>
<thead>
<tr>
<th>Year</th>
<th>Successes</th>
</tr>
</thead>
<tbody>
<tr>
<td>2000</td>
<td>Blue Gill Technologies, Genitor Corporation, Genvec</td>
</tr>
<tr>
<td>2002</td>
<td>Mechanical Dynamics</td>
</tr>
<tr>
<td>2004</td>
<td>Esperion Therapeutics, Healthcare Solutions, Intralase, Stoneage Corporation, Colorbok</td>
</tr>
<tr>
<td>2005</td>
<td>Arbortext, Afmedica</td>
</tr>
<tr>
<td>2006</td>
<td>Asterand</td>
</tr>
<tr>
<td>2008</td>
<td>HealthMedia, Sircon, Sensicore</td>
</tr>
<tr>
<td>2009</td>
<td>HandyLab, Assay Designs, Applimation, Pump Engineering</td>
</tr>
<tr>
<td>2010</td>
<td>Arbor Networks, Mobius Microsystems, QuatRx Pharmaceuticals</td>
</tr>
<tr>
<td>2011</td>
<td>Accuri Cytometers, EcoSynthetix (IPO), Micronics</td>
</tr>
<tr>
<td>2012</td>
<td>Arbor Photonics, V.I.O</td>
</tr>
<tr>
<td>2013</td>
<td>Esperion (IPO), Livio Radio, Pioneer Surgical Technology, Relume Technologies</td>
</tr>
<tr>
<td>2014</td>
<td>Seelio, ForeSee Results</td>
</tr>
</tbody>
</table>

An exit is an event that allows a venture capital firm to realize a return on their investment in a startup company. An initial public offering (IPO) or an acquisition (being bought out by a larger player in the industry) is an opportunity for further financing and growth for a startup company.
Seelio partners with higher education institutions to create student lifecycle portfolios, which prepare students for a successful future starting at orientation all the way through to graduation. In June, the company was acquired by PlattForm, a marketing and enrollment management partner for colleges and universities worldwide. Seelio expects to add to its 22-person team in Ann Arbor over the next five years, as the company grows its partnerships, technology, service, and design teams.

ForeSee Results

A pioneer in customer experience analytics, ForeSee continuously measures satisfaction across customer touch points and delivers insights on where to prioritize improvements for maximum impact. Using a technology spun-out from the University of Michigan, ForeSee made Ann Arbor its home and has stayed in the city even after a 2014 acquisition by Answers.com.
Building on the Momentum: Future Demand for Venture Capital in Michigan

The 37 venture firms in Michigan estimate that their Michigan-based portfolio companies will need more than $1.3 billion in additional venture capital investment in the near future, as the companies continue to grow and bring on new employees. Additionally, Michigan-based venture firms are actively investing in new Michigan-based startups which will require continued support as they grow. In order to encourage and support this extraordinary statewide business development, Michigan venture firms are actively fundraising to meet this demand.

Where will this investment capital come from? The MVCA survey indicates that 41% of the money in Michigan-based venture capital funds comes from institutions outside of Michigan.

As the number of investment-worthy startups in Michigan grows, so does the level of activity in the venture community. Demand for venture capital, the number of venture firms active in the state, and the number of investments in and amount of capital available to Michigan businesses are metrics we expect to increase alongside growth of the startup community.

Venture capital firms are a great conduit for bringing money into the state of Michigan from other states. Not only do Michigan venture firms raise money from outside of the state of Michigan but they also work hard to find co-investors for great Michigan startups from outside of the state of Michigan.

Current funds under management in Michigan will not meet the known future venture capital demand, so successful fundraising is critical to the growth of Michigan startups. Venture firms in Michigan must work hard to find the critical early-stage investment capital our Michigan economy relies on. Reliable in-state fundraising targets, including endowments, fund-of-funds, pension plans and foundations, are important players in the long-term health of Michigan’s entrepreneurial ecosystem and the venture community that invests in them.

Sources of Capital for Michigan Venture Capital Funds

“Over the past 15 years, a set of very successful, serial entrepreneurs has developed in Michigan. This ‘class’ of repeat entrepreneurs means the growth of exciting new companies will only accelerate, creating more demand for early-stage capital and even more top-notch deal flow for Michigan VCs.”

– Tim Petersen, Managing Director, Arboretum Ventures.
In 2014, 12 firms were actively raising $652 million to invest in new businesses.

In 2015, 9 firms will be actively raising $599 million to invest in new businesses.

In 2016, 13 firms will be actively raising $676 million to invest in new businesses.
2014 Spotlights

Michigan’s rich entrepreneurial tradition is characterized by daring founders of young companies acting boldly and commercializing innovative ideas, and the growth-oriented businesses of today’s venture-backed community are no exception. MVCA members provide funding at a crucial point in the company’s development, when the capital and guidance of seasoned investors can be invaluable. Although the structure, size and style varies greatly from deal to deal, all portfolio companies share the common need for outside capital to keep the business on a successful trajectory, and the continued good health of the Michigan venture community ensures there will be support for these businesses for years to come.

For this report, we’ve chosen to feature a few MVCA member portfolio companies, representing every stage of development and at different points on the capital continuum, to showcase the diverse and flourishing population that can be found in our vibrant Michigan entrepreneurial ecosystem.

Tissue Regeneration Systems

Founded in 2008, Tissue Regeneration Systems, Inc. (“TRS”) has built a technology platform that creates skeletal and bone implants using 3-D printing. The implants are bioresorbable, porous, and coated with a mineral that encourages natural bone regrowth in patients who undergo craniomaxillofacial, orthopedic, or spine fusion surgeries.

Why Michigan?
The TRS technology platform was originally licensed from the University of Michigan, which later provided technical staff as well. “We continue to work very closely with our academic founders, so the Ann Arbor area was a natural location for our business,” said TRS CEO and President Jim Fitzsimmons.

2014 Highlights
TRS closed a $3.25 million bridge financing and established/certified an independent, GMP-compliant implant fabrication operation in Plymouth, Michigan. The company signed its first major corporate partnership deal, a collaboration with Johnson and Johnson Corporation to co-develop a new long bone reconstruction implant.
Larky

Larky develops mobile-first engagement platforms for banks, credit unions, health insurers, universities and employers. Its mobile apps use location awareness to notify users when they are near an offer or discount that they are entitled to based on their memberships.

Why Michigan?
CEO Gregg Hammerman says proximity to talent is what makes Michigan a good home for his business. “Michigan is a great place to find smart, hard-working, innovative talented people who are increasingly interested in being a part of an early stage company and contributing its success,” he says.

2014 Highlights
North Coast Technology Investors led a funding round that closed in May. Since then, Larky has added more than a dozen enterprise clients including Lake Trust Credit Union and Disney, while growing its staff by eight.

HistoSonics

HistoSonics uses a pulsed sound energy technology called histotripsy to treat a variety of clinical conditions without incision or heat effects, thereby reducing patient trauma, improving clinical outcomes and lowering overall cost of care. The company is advancing its first clinical application in the U.S. and Canada, applying the Vortx RX® device to the treatment of Benign Prostatic Hyperplasia (BPH).

Why Michigan?
Histotripsy, the core technology on which the company is based, started with an exclusive license of the intellectual property portfolio from the University of Michigan, said CEO Chris Gibbons. “Histotripsy had been developed over many years of research by an incredible team of scientific and clinical co-inventors at U-M. We continue to have a strong relationship with the founding University team and mutually benefit from an ongoing collaboration,” she said. Michigan is also a state rich in resources, starting first with a highly skilled workforce, the majority of whom were originally based in Michigan. We have also benefited greatly from a strong, capable supply base knowledgeable in the requirements of supplying to the medical device industry. Lastly, locating in Ann Arbor has allowed us to position ourselves in the midst of a thriving entrepreneurial community with access to investors, other entrepreneurs and service providers who support them.

2014 Highlights
A key highlight was the completion of enrollment in Histosonics’ first-ever clinical study of its investigational device, the Vortx RX. Final results are pending, but thus far the device demonstrates an excellent safety profile and impressive symptom improvement. Histosonics and U-M teams also continue work on future clinical applications for the technology, including congenital heart defect in infants.
TOME Software

Tome Software develops connectivity products to keep people mobile and active, and creates value as a focused niche within the larger “Internet of Things” movement.

Why Michigan?
Founder Jake Sigal and his business partner couldn’t be persuaded to move to the coasts after they sold their previous company, Livio, to Ford in 2013, despite many pleas to do so. “We chose to stay in Michigan for the access to available engineers. At Livio, we started relationships with Michigan State, Michigan, Lawrence Tech, and Kettering for both recent graduates as well as hiring alumni that want to return to Michigan. We have continued the same process with our new venture, Tome Software,” Sigal says.

2014 Highlights
In just its first year of operation, Tome Software was profitable and raised $250,000 in convertible debt from previous Livio investors.

ProNAi

ProNAi Therapeutics is a private company dedicated to developing and commercializing a new class of therapies based on its proprietary DNAi platform, for patients with cancer and other diseases. ProNAi’s lead DNAi drug is PNT2258, which is specifically designed to treat cancers that overexpress BCL2. To date, 35 patients have been treated with PNT2258 in a Phase I and a pilot Phase II trial, with compelling efficacy and safety results.

Why Michigan?
The company credits the collaboration among Michigan’s Life Sciences community, including its entrepreneurs, investors, ex-Pfizer scientists, universities, drug development consultants, legal support, and state programs/infrastructure, for providing ProNAi a fertile environment in which to grow. Proximity to a global airport hub has also helped the team introduce ProNAi’s innovative technologies to the world.

2014 Highlights
In May 2014, ProNAi raised approximately $60 million from new and existing investors. The oversubscribed Series D round added to more than $30 million already raised since the company’s founding.

ForeSee Results

A pioneer in customer experience analytics, ForeSee continuously measures satisfaction across customer touch points and delivers critical insights on where to prioritize improvements for maximum impact. ForeSee is a Software as a Service (SaaS) technology that connects the customer experience to the bottom line, resulting in better business decision-making for companies and a better experience for consumers.

Why Michigan?
Using a technology spun-out from the University of Michigan, ForeSee naturally made Ann Arbor its first home. It stayed in the city even as it grew its workforce to over 300 people because the area supplied employees with “a hard-working attitude, high integrity and loyalty,” recalls founder Larry Freed. Despite pressures from outside stakeholders to relocate, Freed says the positive attributes of Michigan, the support of the local community and MEDC, and the company’s continued success in Ann Arbor gave it compelling reasons to stay in Michigan.

2014 Highlights
Integrating the ForeSee solution with the SaaS platforms of acquirer Answers.com remained a major focus in 2014 for the company, as it continued on its growth trajectory.
ArborMetrix

“Michigan Venture Capital Association continues to demonstrate the important contributions its programs are making to stimulate economic growth. ArborMetrix has directly benefited from MVCA programs by leveraging their market experience and outreach, as well as vast networks of strategic partners, which have certainly accelerated our growth. Every state should have a similar advocate for investing in local companies that can contribute so much to the business environment.” — Brett Furst, CEO of ArborMetrix

Founded in 2011 by leading clinical and economic researchers, ArborMetrix provides a cloud-based platform for performance measurement and clinical intelligence in acute and specialty healthcare. Target markets include specialty societies focused on improving quality and “at-risk” entities (plans, health systems and ACOs) that want to identify variation in care while improving clinical value.

Why Michigan?
ArborMetrix has grown its team by tapping Michigan’s best and brightest business minds, statisticians, software intelligence developers and engineers. The company has relied on the state’s culture of embracing the entrepreneurial spirit and passion for taking ideas from the drawing board to the marketplace. “There’s tremendous support and resources for new start-up companies in Michigan, from the Governor’s office to local business and economic development sources such as Ann Arbor SPARK,” comments Brett Furst, CEO of ArborMetrix

2014 Highlights
ArborMetrix closed $1.3 million in additional Series B funding (for a total raise of $9.8 million) from Michigan investors Renaissance Venture Capital Fund and Detroit Innovate. It was honored with several industry awards, including Frost and Sullivan’s “2014 Best Practices Award” and Healthcare Informatics’ “Up and Comers Award”.

Tetra Discovery Partners

Tetra Discovery Partners designs drugs to restore clarity of thought in patients suffering from Alzheimer’s disease, schizophrenia or traumatic brain injury. Its novel, first-in-class therapy for improving learning and memory will enter human clinical trials in 2015.

Why Michigan?
According to Mark Gurney, PhD, Chairman & CEO of Tetra Discovery Partners, locating the company in West Michigan allows for easy access to high quality life science incubators, an educated work force, and access to financing appropriate for start-ups through a combination of angel investors, MEDC funds and venture capital. Additionally, he says, “Michigan features a high quality of life, the people are friendly and housing is affordable.”

2014 Highlights
Tetra raised $2 million from private investors to leverage $15 million in funding through the National Institutes of Health, current Michigan investors include Grand Angels, Muskegon Angels, Invest Michigan, SPARK, and Western Michigan University’s Biosciences Research & Commercialization Center.
Michigan VC firms invested in 97% of all Michigan startups that received investment capital in 2014.

The number of venture firms with an office or headquarters in Michigan has increased by 48% in the last five years.

There are currently 129 venture-backed companies in Michigan, a 79% increase in the last five years.

Fifty one companies in Michigan received more than $204 million in venture capital funding in 2014.

Investor Members

In 2014, 9 Angel Groups in Michigan with 272 Active Angel investor Members

214 Angel-Backed Companies Active in Michigan in 2014

51 companies in Michigan received more than $204 million in venture capital funding in 2014.

In 2014, Michigan-based venture capital firms had $1.7B in capital under management, an increase of 45% in the last 5 years.

Michigan has increased by 45% in the last 5 years.

The number of venture capital professionals living, working, and investing in Michigan has increased by 98% in the last five years.

In 2014 there were 9 Angel Groups in Michigan with 272 Active Angel Investor Members, a 45% increase in membership in the last five years.

Fifty one companies in Michigan received more than $204 million from Michigan venture capital firms in 2014. This is an 89% increase in the last five years.

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Washtenaw County
Ann Arbor Area

With over half of all Michigan venture firms operating in the Ann Arbor area, this home of the University of Michigan is a hub of entrepreneurial and investment activity. The high concentration of early-stage capital in the Ann Arbor area has led to increased cooperation among venture firms to ensure startup companies are able to fill their funding rounds. Of the 44 venture-backed Ann Arbor area startups, those in Life Sciences and Information Technology received the bulk of venture capital investment in 2014.

**Venture Capital in the Ann Arbor Area**

- There are currently **20 venture firms** with headquarters or offices located in Ann Arbor, which represents **54%** of all firms with offices in Michigan.
- Just **23%** of venture capital managed in Ann Arbor is available for new investment.
- **24%** of the venture professionals located in Ann Arbor are women.
- **16%** of the venture professionals located in Ann Arbor are minorities.
- **23%** of the capital available for new startup companies is reserved for additional investment into Michigan startup companies.
- **75%** of the capital deployed into startup companies is available for new startup companies.

**Startups in the Ann Arbor Area**

- There are currently **44 growing Ann Arbor companies** that have received more than **$590M** in venture capital funding.
- While Michigan venture funds invest in a wide variety of sectors, the Information Technology and Life Science sectors have been the main focus of capital deployment in the Ann Arbor area. Currently, **39%** of the companies that received VC funding in the region were life science companies and **46%** of the companies were Information Technology companies.

**Venture Capital Investment in Ann Arbor Companies in Business Today**

<table>
<thead>
<tr>
<th>Sector</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Information Technology</td>
<td>46%</td>
</tr>
<tr>
<td>Life Science/Healthcare</td>
<td>11%</td>
</tr>
<tr>
<td>Advanced Materials and Manufacturing</td>
<td>2%</td>
</tr>
<tr>
<td>Consumer Products</td>
<td>2%</td>
</tr>
<tr>
<td>Life Science/Healthcare</td>
<td>39%</td>
</tr>
</tbody>
</table>

“HistoSonics would not be where it is today without the strong support from the Michigan venture community. HistoSonics was launched in late 2009 with the infusion of capital from a syndicate of five venture funds; four of those funds have ties to Michigan and all share the vision we have in our technology’s potential to positively impact patient care. A startup goes through many peaks and valleys in its early years. Our investors have been there with us, shoulder-to-shoulder, as we addressed challenges head-on, cleared technology hurdles and built a strong foundation in this platform technology and clinical device for non-invasive therapy.”

– Chris Gibbons, CEO, HistoSonics
Startups in the Ann Arbor Area in 2014

- In 2014, 19 growing Ann Arbor companies received more than $72M in venture capital funding.
- In 2014, in Ann Arbor, 100% of all venture backed companies that received investment in 2014 received support from at least one Michigan venture firm.

37% of these venture-backed startups received support from more than one Michigan venture capital firm which is an indication that the Ann Arbor area has a very collaborative entrepreneurial ecosystem.

Life Science companies typically tend to require more capital to grow their businesses than other sectors.

While Michigan venture funds invest in a wide variety of sectors, the Life Science and Information Technology sectors continued to be the main focus of capital deployment in the Ann Arbor area in 2014.

38% of the companies that received VC funding in this region in 2014 were life science companies.

57% of companies that received VC funding in the Ann Arbor area in 2014 were Information Technology companies.

Venture Capital Investment in Ann Arbor Area Startups in 2014 by Sector

- 57% information technology
- 38% life science/healthcare
- 5% consumer products

Total Amount Invested in Ann Arbor Area Startups in 2014 by Sector

- 64% life science/healthcare
- 36% information technology
- 0% consumer products
Wayne County Detroit Area

The Detroit area is quickly becoming a new center of venture capital activity in Michigan. More remarkable than the number of new venture investments in Detroit is the rate at which those new investments are being made: the amount of new venture investments made in Detroit startups doubled in the last five years.

**Venture Capital in the Detroit Area**
- Over 15 venture capital firms in Michigan have invested in startups in Wayne County.
- There are currently 5 venture firms with headquarters or offices located in Detroit, which represents 14% of all firms with offices in Michigan.
- Just 31% of venture capital managed in Detroit is available for new investment.

**Startups in the Detroit Area**
- There are currently 24 venture-backed startups in the Detroit area who have collectively received more than $186M in venture capital funding.
- While Michigan venture funds invest in a wide variety of sectors, the Information Technology sector has historically been the main focus of capital deployment in the Detroit area. Currently, 54% of the startup companies that have received venture capital funding in the region were information technology companies.

**Venture Capital Investment in Detroit Area**

**Startups in Business Today**
by Sector

- 54% Information Technology
- 13% Life Science/Healthcare
- 4% Consumer Products
- 8% Advanced Materials and Manufacturing
- 21% Other

Detroit is quickly becoming a new center of entrepreneurial and venture capital activity in Michigan. The number of Detroit-based companies receiving venture capital investment for the first time has increased 100% in the last five years. The diversity of startups receiving venture capital investment in Detroit is even more striking, as the eight new investments in Detroit are spread among companies in five different industries.
2014 Activity in the Detroit Area

- In 2014, 12 growing Detroit area companies received more than $88M in venture capital funding.
- In 2014, in Detroit, 100% of all venture backed companies that received investment in 2014 received support from at least one Michigan venture firm. 33% of these venture-backed startups received support from more than one Michigan venture capital firm which is an indication that the Detroit Area has a very collaborative entrepreneurial ecosystem.
- While Michigan venture funds invest in a wide variety of sectors, Information Technology is the main focus of capital deployment in the Detroit area in 2014. 52% of startups that received venture capital funding in the Detroit area in 2014 were information technology companies.

"Detroit has seen explosive growth in the last few years with entrepreneurs setting up shop in downtown Detroit’s thriving technology hub. Detroit Venture Partners is thrilled to be a part of that growth, by investing in many of the early stage startups who are part of Detroit’s new innovation economy."

– Gabe Karp, Partner, Detroit Venture Partners
Oakland County

Oakland County is home to some of Michigan’s longest-tenured venture professionals, whose deep experience in venture capital helped form and support Michigan’s entrepreneurial community over several decades. Entrepreneurial companies and their founders like Oakland County’s proximity to a large potential customer base and its central location in SE Michigan’s economic power region.

Venture Capital in Oakland County

- There are currently 3 venture firms with headquarters or offices located in Oakland County. Historically, 7 Michigan venture firms have invested in Oakland County startups – many of these firms have a strong track record of investing in Oakland County dating back to the 1990s when there was much less venture capital available in Michigan. With 37 venture firms located in Michigan and dedicated to investing in great Michigan companies, there is opportunity for increased investment in Oakland County.
- Of the 7 Michigan-based venture firms that have a strong track record of investing in Oakland County, 72% of their capital has already been deployed, leaving only 24% to be invested in new startups. This highlights the importance of continued fundraising by these firms in order to keep up with the demand by new and existing startups for venture capital investment.

Startups in Oakland County

- There are currently 18 venture-backed startups in Oakland County, half of which have received an investment from a Michigan venture capital firm within the last two years. This spike in activity is a reflection of the momentum building in the venture community and playing out in Oakland County.
- Historically, venture capital investment in Oakland County has been in three main sectors: Information Technology, Life Science, and Media. Currently, 67% of the companies that have received venture capital funding in the region were Information Technology startups.

Oakland County startup companies in the Media and Information Technology sectors secured 94% of venture capital dollars invested in the region.

Venture Capital Investment in Oakland County

- 67% Information Technology
- 11% Life Science/Healthcare
- 11% Media
- 5% Advanced Materials and Manufacturing
- 6% Business Services
- 4% capital reserved for additional investment into Michigan startup companies

“Attracting the best STEM talent to our region requires the best companies, the coolest projects, and dependable support from local government. Oakland County has been a great partner and advocate for tech in the region for our previous company, Livio (acquired by Ford), and our new business Tome Software.”

– Jake Sigal, CEO, Tome Software
2014 Activity in Oakland County

- In 2014, 6 growing Oakland County companies received more than $19M in venture capital funding.
- In 2014, in Oakland County, 83% of all venture backed companies that received investment in 2014 received support from a Michigan venture firm. None of these venture-backed startups received support from more than one Michigan venture capital firm, pointing to the opportunity for increased networking and collaboration within the county.
- Information Technology was the main focus of investment in Oakland County in 2014. 67% of startups that received venture capital funding in Oakland County in 2014 were information technology companies.

“In choosing to locate IncWell in Oakland County, we have placed ourselves in the midst of an arsenal of resources that have helped us invest in 27 companies since launching our first fund in 2013.”

Oakland County is also an ideal place for startups. We are a stone’s throw away from the top automotive, manufacturing, and technology companies and their vast research and development facilities. The state of Michigan is also home to some of the finest universities in the country and provides an excellent technology home base for startups. We are able to utilize these connections to help the startup companies in our portfolio.”

– Tom LaSorda, Founder & Managing Partner, IncWell
West Michigan
Grand Rapids, Kalamazoo, and surrounding areas

West Michigan’s active angel investors, two large universities (Grand Valley State University and Western Michigan University), and an entrepreneurial community with a strong dedication to West Michigan are large contributors to the diverse investment activity in the region. In addition, six venture firms are headquartered or have offices in West Michigan, with the highest concentration of activity in Grand Rapids and Kalamazoo.

Venture Capital in West Michigan

- There are currently 6 venture firms with headquarters or offices located in West Michigan, which represents 16% of all firms with offices in Michigan.
- Only 3% of venture capital managed in West Michigan is available for new investment, reflecting the need for additional fundraising by Michigan venture firms to help West Michigan’s growing companies.
- 16% of the venture professionals located in West Michigan are women.
- 5% of venture professionals located in Detroit are minorities.
- Only 3% of venture capital managed in West Michigan is available for new investment, reflecting the need for additional fundraising by Michigan venture firms to help West Michigan’s growing companies.

Startups in West Michigan

- There are currently 24 venture-backed startups in West Michigan who have collectively received more than $185M in venture capital funding.
- Venture capital investment is particularly diverse in West Michigan, with a large variety of sectors receiving investment by Michigan venture capital firms. The Information Technology and Life Science sectors have historically been the main focus of capital deployment in West Michigan; currently, 42% of the startup companies that have received venture capital funding in the region were information technology companies and 34% were life science companies.
- 0% have a CEO who is a woman.
- 13% have a CEO who is a minority.
- 94% capital deployed into startup companies
- 8% Other
- 8% Life Science/Healthcare
- 4% Advanced Materials and Manufacturing
- 6% Business Services (non IT)
- 34% Information Technology
- 8% Consumer Products
- 3% capital available for new startup companies
- 3% capital reserved for additional investment into Michigan startup companies

“Organizations like StartGarden, Ann Arbor SPARK, and Michigan’s network of angel and venture investors have created an increasingly robust resource infrastructure, which has been critical to VNN’s continued growth. It’s humbling to be a part of the amazing growth of this community.”

– Ryan Vaughn, CEO, Varsity News Network
2014 Activity in West Michigan

- In 2014, 12 growing West Michigan companies received more than $29M in venture capital funding.
- In 2014, in West Michigan, 92% of all venture backed companies that received investment in 2014 received support from at least one Michigan venture firm.
- 25% of these venture-backed startups received support from more than one Michigan venture capital firm.
- Information Technology was the main focus of investment in West Michigan in 2014. Almost half (46%) of startups that received venture capital funding in West Michigan in 2014 were Information Technology companies. However, the more capital intensive Life Science startups raised 72% of the venture funding in 2014.
Angel Groups in Michigan

There are currently **210 startup companies in Michigan** that have received funding from a Michigan angel group, a 200% increase in the last five years.

In 2014, the **nine angel groups in Michigan** were comprised of **257 investors**, a 37% increase in angel participation in the last five years.

Angel investors in Michigan support companies in a wide variety of sectors. Having a rich pipeline of angel-backed startups across many sectors creates diverse opportunities for later-stage investment by Michigan venture firms.

**INDUSTRY SECTORS OF INTEREST**

Information Technology and Alternative Energy are sectors of focus for all nine angel groups in Michigan, followed by Life Science and Advanced Materials and Manufacturing.

<table>
<thead>
<tr>
<th>Industry</th>
<th>Number of Investors</th>
</tr>
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<tbody>
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<td>8</td>
</tr>
<tr>
<td>Information Technology</td>
<td>9</td>
</tr>
<tr>
<td>Alternative Energy</td>
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</tr>
<tr>
<td>Advanced Materials &amp; Manufacturing</td>
<td>8</td>
</tr>
<tr>
<td>Media</td>
<td>4</td>
</tr>
<tr>
<td>Business Services</td>
<td>5</td>
</tr>
<tr>
<td>Consumer Products</td>
<td>7</td>
</tr>
<tr>
<td>Other</td>
<td>6</td>
</tr>
</tbody>
</table>

**Who are angel investors?**

Angel investors are high net worth individuals who invest in startups. Since angel investors are very often individuals that have held executive positions at large corporations or former founders of a successful business, they can provide valuable advice and introductions to the entrepreneur, in addition to funding.

**What is an angel group?**

An angel group (or network) is an organization of multiple angels who pool capital available to invest in startups and share information on new investment opportunities. Angel groups typically meet monthly in order to view fundraising pitches made by startups.

**How much do angel groups invest in startups?**

A typical angel group investment into a single company ranges between $25,000 and $3 million.

In 2014, **18%** of the startups who received angel investment in Michigan were women.

In 2014, **6%** of the startups who received angel investment in Michigan were minorities.

In 2014, the **nine angel groups in Michigan** were comprised of **257 investors**, a 37% increase in angel participation in the last five years.
ANN ARBOR ANGELS
Ann Arbor Angels was founded in 2004 and has evolved into a member-driven angel investment organization, comprised of former CEOs and founders as well as business and investment leaders in the Ann Arbor community. We invest in young companies with breakthrough products or services. In addition to providing capital, we share our expertise, provide mentoring, and facilitate connections to the broader marketplace.

www.annarborangels.org

BELLE MICHIGAN
Our mission is to provide superior returns for our investors while serving the early stage capital needs of women-led companies. The companies we invest in will have access not only to our capital but to a network of limited partners, who bring years of experience as entrepreneurs, professionals, and corporate executives to support the success of our portfolio companies.

www.michbelles.com

BELLE Michigan focuses on investing in women owned businesses in Michigan!

BLUEWATER ANGELS INVESTMENT NETWORK
The BlueWater Angels Investment Network is a private for-profit organization established to provide members a significant return on equity investments. While providing risk capital to promising businesses, we recognize the value of supporting and nurturing the entrepreneurial community for the economic benefit of our region and the State of Michigan.

www.bluewaterangels.com

Featured Angel-Backed Companies in Michigan

Reveal Design Automation develops software solutions to guarantee that the complex, low-power semiconductor systems critical to consumer products, storage, networking, automotive, medical, security, and space applications are functionally correct and bug-free.

2014 Highlights
Reveal Design Automation leveraged seed grant and angel investments to take its flagship product to the market in 2014. That initial product launch was successful, which will allow sales revenues to drive company growth for the next 18 months.

AD ADAPTED
Light years beyond the online banner ads of yesteryear, AdAdapted’s platform brings ease and scale to integrated advertising and branded experiences in mobile applications. From headquarters in Ann Arbor, the company connects brand advertisers to consumers in the apps that simplify their lives, including their favorite grocery lists, organizers and shopping environments.

2014 Highlights
AdAdapted raised $725,000 in a Seed Round, with Michigan investors that include BELLE Michigan and StartGarden, and started working through agencies with major national brands like Campbell’s, Bank of America, and Jimmy Dean.

RetroSense Therapeutics is developing gene therapies to restore vision to people whose blindness was caused by retinal degeneration.

2014 Highlights
The company closed a $7 million Series A financing round and secured key intellectual property from Wayne State University and Massachusetts General Hospital. It was selected as a “Top Project to Watch” by Therapeutic Area Partnerships and received Orphan Drug designation from USFDA.
Angel Groups in Michigan, continued

CAPITAL COMMUNITY ANGELS
Capital Community Angel Investors is a nonprofit organization that seeks to introduce qualified entrepreneurs to its member investors. The group looks for Michigan-based “disruptive” early stage investments that offer sustainable competitive advantage.

www.ccangels.org

GRAND ANGELS
Grand Angels will make investments that will have a positive effect on our region through business growth, job creation, and the retention of local talent. Through mentoring, strategic advice, expanding networks, and connections to customers, management and venture capital, Grand Angels investments fuel the entrepreneurial economy of innovative companies throughout Michigan.

www.grandangels.org

GREAT LAKES ANGELS
Great Lakes Angels focuses on providing funding to capital-efficient early-stage companies located in Midwest. We are open to pre-revenue companies that are close to revenue and can demonstrate strong potential customer interest.

www.glangels.org

ONL Therapeutics (ONL) is a biopharmaceutical company committed to protecting and improving the vision of patients with a range of retinal diseases and conditions. Its breakthrough technology is designed to protect photoreceptors against programmed cell death, the root cause of vision loss and the leading cause of blindness.

2014 Highlights
ONL closed a $1 million Seed Stage funding round, including support from Capital Community Angels, and received $1.5 million in grant funding from National Eye Institute with Michigan ETF matching funds. The company appointed several new executives and was invited to present at the Ophthalmology Innovation Summit @ AAO, an event for ophthalmic investors, entrepreneurs, physicians and pharma leadership.

Blaze Medical Devices develops technology for analyzing damage to red blood cells from medical devices/drugs, storage, or disease. Blaze hopes to offer initial versions of its testing systems as a much-awaited tool in many areas of industrial R&D and product design as well as basic science and clinical research.

2014 Highlights
Blaze Medical Devices received a NIH/NHLBI SBIR Phase 1 grant and secured international patents and trademarks. The company is backed by angel investors and the Michigan Pre-Seed Fund.

Tetra Discovery Partners designs drugs to restore clarity of thought in patients suffering from Alzheimer’s disease, schizophrenia or traumatic brain injury. Its novel, first-in-class therapy for improving learning and memory will enter human clinical trials in 2015.

2014 Highlights
Tetra raised $2 million from private investors to leverage $15 million in funding through the National Institutes of Health; current Michigan investors include Grand Angels, Muskegon Angels, Invest Michigan, SPARK, and Western Michigan University’s Biosciences Research & Commercialization Center.
Combining Italian artistry, craftsmanship and design with disciplined Midwestern manufacturing methods, American Glass Mosaics operates the only full scale formed glass mosaics factory in the United States. Its formed mosaics are made with 100% recycled glass and are manufactured exclusively in West Michigan.

**2014 Highlights**
After raising most of a $1 million seed round in 2014, the company is now pursuing new investors to close the round. Its successful customer pilot program is yielding double-digit fuel economy gains, and a due diligence report on its intellectual property estate resulted in the submission of new inventive claims.

**ECOFueling**
ECO Fueling provides a fuel injection system for diesel engines that improves engine efficiency and emissions. The system increases engine torque and horsepower through proprietary controls algorithms.

**2014 Highlights**
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**American Glass Mosaics**
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**2014 Highlights**
American Glass Mosaics, backed by the Muskegon Angels, began operations in 2014, creating over 700 colors and styles of mosaics along with its first two collections. Additionally, more than 25 distributors, covering a majority of major U.S. metropolitan areas plus Great Britain and Canada, carry or will carry the company’s product line.

**Silikids**
Taking plastic utensils off the table and replacing them with a stylish, affordable silicone alternative is the aim of Silikids, founded by two mothers in search of non-toxic, hypoallergenic tableware products for kids. 

**2014 Highlights**
Silikids, a winner of several “green” product awards, debuted its patented Siliskin, a shock absorbing silicone sleeve used to cover various glassware and ceramic. The company closed a $400,000 funding round and expanded its international and national distribution.

**Northern Michigan Angels**
Northern Michigan Angels is a premier network of successful entrepreneurs and business leaders in Northern Michigan who provide accredited investment capital, strategic advice, and mentoring to early-stage companies. The mission of the network is to help grow the economic base of the region and to provide members an outstanding financial return on their time and invested capital.

**Michigan Angel Fund**
Michigan Angel Fund focuses on providing funding to capital-efficient early-stage companies located in Michigan. We work closely with other stakeholders in the Michigan entrepreneurial ecosystem to ensure that we invest in the most promising companies and to ensure the future success of these companies and our investments.

**Muskegon Angels**
The Muskegon Angels is a member-led organization committed to finding, funding, and mentoring great young companies from pitch through a successful exit. Our priority is job creation, with a particular emphasis on Muskegon-area development.

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**American Glass Mosaics**
Combining Italian artistry, craftsmanship and design with disciplined Midwestern manufacturing methods, American Glass Mosaics operates the only full scale formed glass mosaics factory in the United States. Its formed mosaics are made with 100% recycled glass and are manufactured exclusively in West Michigan.

**2014 Highlights**
American Glass Mosaics, backed by the Muskegon Angels, began operations in 2014, creating over 700 colors and styles of mosaics along with its first two collections. Additionally, more than 25 distributors, covering a majority of major U.S. metropolitan areas plus Great Britain and Canada, carry or will carry the company’s product line.

**Silikids**
Taking plastic utensils off the table and replacing them with a stylish, affordable silicone alternative is the aim of Silikids, founded by two mothers in search of non-toxic, hypoallergenic tableware products for kids.

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A rich startup culture is now firmly engrained in Michigan, and it hasn’t taken long for that spirit of innovation and risk-taking to permeate out to Michigan’s universities, where entrepreneurship is more than a class. Fueled by hackathon weekends, inter-department entrepreneurial programs and student incubators, Michigan college students can now launch a business or test the waters of a career in venture investing from within the supportive confines of the academic setting, without sacrificing their entrepreneurial ambitions for a college degree.

We asked students from five Michigan universities to describe, in their own words, how the entrepreneurial environment at their university has impacted their studies, personal expectations, and future career aspirations. These students’ experiences, and those of hundreds more Michigan students like them, provide a hopeful glimpse into the promising future of entrepreneurial and venture activity in Michigan:

**KATHRYN CHRISTOPHER, GRAND VALLEY STATE UNIVERSITY**

Before coming to Grand Valley, I had a hard time visualizing my career path. I knew that I was creative and good at science and math, but I wasn’t sure how I might practically apply those skills and interests in the work world. Grand Valley allowed me to explore innovation and product development through classes in the College of Engineering, and my internal drive helped me to continue working on these projects even after my classes were complete.

Through this work, I was connected to the The Richard M. and Helen DeVos Center for Entrepreneurship and Innovation (CEI) in the Seidman College of Business, a champion and catalyst for student-entrepreneurs which provides us with guidance, resources, funding, and, most importantly, a support system. The benefits I received from my experiences at CEI not only increased my self-confidence but they also increased the expectations I had for myself. I knew that with the knowledge, resources, and entrepreneurial support system at GVSU, I could do anything.

I now know exactly what my ideal job is and how to accomplish my dream of getting there. I have no doubt that using the education, resources, and encouragement I received through the entrepreneurial ecosystem at GVSU, I will be able to successfully develop my own business. Grand Valley has truly started an innovative spark in Grand Rapids, and I could not be more thankful to be a part of it.

**DAVID KIRCOS, MICHIGAN STATE UNIVERSITY**

I started my entrepreneurial journey during my junior year at Michigan State University, when I attended an event called Startup Weekend, a transformative 54-hour whirlwind where entrepreneurs and aspiring entrepreneurs can find out if startup ideas are viable. There, I saw my first business pitches, learned about venture capital, and hacked together a working product in one short weekend. I didn’t know it at the time, but this event was a tipping point for me and I would never look at a job the same way again.

I became fascinated by startups, obsessed with learning what made them work. The next summer I became an intern at Detroit Venture Partners, an early-stage venture firm that focuses on technology startups. Looking through the eyes of a venture capitalist made me view startups in a new light and gain a new appreciation for the amount of effort involved in building a new business. The most valuable part of the internship was being able take my questions to real VCs. This fed my appetite for business knowledge much faster then reading blogs or books, and for the first time I knew what I wanted to do after I graduated.

Two years ago I thought finding a job at a place like Google or Wolfram Research was what I wanted. Now I know I will start my own company within four years of graduation. Innovative businesses and their founders are driving the biggest changes in Michigan’s economy and venture capital is bringing many of those companies to life. I can’t wait to join their ranks.
JAMARR HILL, WAYNE STATE UNIVERSITY

Before attending WSU, I assumed entrepreneurship was for college graduates or the eccentric. Despite growing up with self-employed parents who showed me the value of working for yourself, it just didn’t register at the time that I had the acumen to be an entrepreneur. After leaving the military, I decided to attend WSU and found Blackstone Launchpad (BLP), which offers career guidance, resources, and advice to entrepreneurs, innovators, and inventors at Wayne State University.

At BLP I was introduced to the ideas of synergy, leverage and execution. This changed my mentality about what being an entrepreneur entailed and I decided to start my own journey in self-employment. My startup, Transwer, is a mobile application aimed at helping Detroit residents who depend on public transportation. My app helps people connect to opportunities and get to their destination, not unlike how BLP and Wayne State has helped me realize my entrepreneurial dreams.

TROY PRILL, CENTRAL MICHIGAN UNIVERSITY

I wandered into the Central Michigan University entrepreneurship department as a freshman looking for someone to talk to about business ideas. Four years later, I am graduating with a degree in finance and successfully run two startups, thanks to the support and guidance of the faculty, students and alumni of CMU.

Central Michigan University has encouraged me to look at life through a disruptor’s perspective, and to follow my passions through to business launch by using tools learned in accounting and management courses, among others. Every interview I have focuses on my startup businesses and the opportunities that Central Michigan has given me, including my experience in programs like the New Venture Competition (where CMU students from any discipline can create a business, learn from experts, and earn capital).

I have found my drive and my passion: launching and running a startup company. At the end of my time here, I am able to look back and realize how much I have truly grown since the start of my career as a Chippewa and an entrepreneur.

MATT ROSS, UNIVERSITY OF MICHIGAN

At my pre-school graduation, when asked what I wanted to be when I grew up, I exclaimed “A chemist! Or a Ninja Turtle.” Dreams of becoming a giant turtle fell by the wayside, but I did stay interested in engineering and creating new things.

The first organization I joined at U-M was the Zell Lurie Commercialization Fund, a pre-seed investment fund established to identify and accelerate the commercialization of ideas generated within the University community and the surrounding area. As a seed investor on the technology team, I was given the opportunity to contact the founder of a business completing its Series A funding round. I asked him tough questions on behalf of our Fund, ranging from why they have not made traction with certain strategic partners to why their cost-per-click rates were what they were. I got the rare chance to try on the shoes of a venture capitalist and saw I could walk in them. I pivoted my career search and am now trying to break into the VC world.

During U of M’s annual Design + Business and West Coast Forum trip I was able to tour Google Ventures and conduct informational interviews with three venture firms. Among them was a startup technology company bridging the gap between private equity and public investing, a firm that has become a target in my post-graduation job search. Without my experience at Ross School of Business at U-M, I never would have had the courage to go down this path. While I may not be on track to be a Ninja Turtle, this Wolverine is definitely on his way to being part of the innovation economy when he “grows up.”
Michigan as Part of the National Landscape
Michigan’s Growing Presence in the National Landscape

Since 2010, Michigan has positioned itself as a state of innovation that has created an attractive environment for entrepreneurs. Relative to the national landscape, from 2010 – 2015, the Michigan venture capital community has demonstrated strong growth, while the national VC landscape has slowed or contracted over the same time period.

NATIONAL VENTURE CAPITAL STATISTICS

<table>
<thead>
<tr>
<th></th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of VC Firms in Existence</td>
<td>853</td>
<td>881</td>
<td>883</td>
<td>874</td>
<td>803</td>
</tr>
<tr>
<td>Number of Investment Professionals</td>
<td>6,328</td>
<td>6,231</td>
<td>5,887</td>
<td>5,891</td>
<td>5,680</td>
</tr>
<tr>
<td>Total Capital Under Management ($B)</td>
<td>$185</td>
<td>$199</td>
<td>$200</td>
<td>$193</td>
<td>$157</td>
</tr>
<tr>
<td>Average Venture Capital Under Management per Firm ($M)</td>
<td>$216.5</td>
<td>$226.2</td>
<td>$226.7</td>
<td>$220.7</td>
<td>$194.9</td>
</tr>
<tr>
<td>Average Venture Capital Fund Size ($M)</td>
<td>$144.5</td>
<td>$149.3</td>
<td>$150.1</td>
<td>$144.9</td>
<td>$129.8</td>
</tr>
</tbody>
</table>

MICHIGAN VENTURE CAPITAL STATISTICS*

<table>
<thead>
<tr>
<th></th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of VC Firms in Existence</td>
<td>19</td>
<td>20</td>
<td>20</td>
<td>23</td>
<td>26</td>
</tr>
<tr>
<td>Number of Investment Professionals</td>
<td>53</td>
<td>60</td>
<td>60</td>
<td>81</td>
<td>102</td>
</tr>
<tr>
<td>Total Capital Under Management ($B)</td>
<td>$1.2</td>
<td>$1.5</td>
<td>$1.5</td>
<td>$1.6</td>
<td>$1.7</td>
</tr>
<tr>
<td>Average Venture Capital Under Management per Firm ($M)</td>
<td>$74</td>
<td>$75</td>
<td>$75</td>
<td>$72</td>
<td>$67</td>
</tr>
<tr>
<td>Average Venture Capital Fund Size ($M)</td>
<td>$40</td>
<td>$41</td>
<td>$43</td>
<td>$42</td>
<td>$38</td>
</tr>
</tbody>
</table>

FIVE YEAR TRENDS

- # of VC Firms in Existence: 37% (Michigan) vs 92% (National)
- Total Capital Under Management ($B): 45% (Michigan) vs -15% (National)
- Avg. Venture Capital Fund Size ($M): -5% (Michigan) vs -10% (National)

Source: National Venture Capital Association

*This data represents venture firms headquartered in Michigan
The Michigan Opportunity

Venture capital activity in Michigan has grown tremendously in the last decade. In 2014, $219 million in venture capital was invested in Michigan startups, a 97% increase in capital invested compared to the previous year.

Nationally Michigan ranks 21st in venture capital invested and MVCA believes there is additional investment opportunity based on three key indicators: research spending, number of PhDs in science and engineering, and the number of invention patents issued.

<table>
<thead>
<tr>
<th>STATE</th>
<th>VC Invested</th>
</tr>
</thead>
<tbody>
<tr>
<td>CA</td>
<td>$27,151,513,000</td>
</tr>
<tr>
<td>MA</td>
<td>$4,678,599,700</td>
</tr>
<tr>
<td>NY</td>
<td>$4,263,917,000</td>
</tr>
<tr>
<td>TX</td>
<td>$1,506,448,000</td>
</tr>
<tr>
<td>WA</td>
<td>$1,246,773,300</td>
</tr>
<tr>
<td>IL</td>
<td>$1,069,269,700</td>
</tr>
<tr>
<td>FL</td>
<td>$862,460,900</td>
</tr>
<tr>
<td>UT</td>
<td>$800,996,600</td>
</tr>
<tr>
<td>CO</td>
<td>$793,054,800</td>
</tr>
<tr>
<td>PA</td>
<td>$774,665,400</td>
</tr>
<tr>
<td>CT</td>
<td>$521,384,800</td>
</tr>
<tr>
<td>GA</td>
<td>$495,851,800</td>
</tr>
<tr>
<td>VA</td>
<td>$475,986,300</td>
</tr>
<tr>
<td>MN</td>
<td>$368,434,800</td>
</tr>
<tr>
<td>MD</td>
<td>$363,462,400</td>
</tr>
<tr>
<td>NC</td>
<td>$341,541,500</td>
</tr>
<tr>
<td>NJ</td>
<td>$320,431,700</td>
</tr>
<tr>
<td>OH</td>
<td>$268,686,800</td>
</tr>
<tr>
<td>AZ</td>
<td>$257,026,000</td>
</tr>
<tr>
<td>DC</td>
<td>$242,247,100</td>
</tr>
<tr>
<td>MI</td>
<td>$218,983,000</td>
</tr>
</tbody>
</table>

Source for this graph: National Science Foundation/National Center for Science and Engineering Statistics.

Research

Michigan has the highest research spending-to-venture capital investment ratio in the nation. For every $1 invested in venture capital in the state, $149 is invested in research in Michigan. The resulting discoveries and technology can be commercialized to a much greater extent than is happening now, creating a fertile ground for venture capital investment activity.

<table>
<thead>
<tr>
<th>STATE</th>
<th>Investment in Research for every dollar of Venture Capital invested</th>
</tr>
</thead>
<tbody>
<tr>
<td>MI</td>
<td>$149</td>
</tr>
<tr>
<td>MD</td>
<td>$117</td>
</tr>
<tr>
<td>NJ</td>
<td>$111</td>
</tr>
<tr>
<td>OH</td>
<td>$85</td>
</tr>
<tr>
<td>NC</td>
<td>$57</td>
</tr>
<tr>
<td>AZ</td>
<td>$56</td>
</tr>
<tr>
<td>VA</td>
<td>$53</td>
</tr>
<tr>
<td>MN</td>
<td>$42</td>
</tr>
<tr>
<td>PA</td>
<td>$39</td>
</tr>
<tr>
<td>CT</td>
<td>$35</td>
</tr>
<tr>
<td>IL</td>
<td>$31</td>
</tr>
<tr>
<td>DC</td>
<td>$31</td>
</tr>
<tr>
<td>WA</td>
<td>$30</td>
</tr>
<tr>
<td>TX</td>
<td>$30</td>
</tr>
<tr>
<td>GA</td>
<td>$25</td>
</tr>
<tr>
<td>FL</td>
<td>$21</td>
</tr>
<tr>
<td>CO</td>
<td>$20</td>
</tr>
<tr>
<td>UT</td>
<td>$10</td>
</tr>
<tr>
<td>NY</td>
<td>$9</td>
</tr>
<tr>
<td>MA</td>
<td>$9</td>
</tr>
<tr>
<td>CA</td>
<td>$7</td>
</tr>
</tbody>
</table>

Talent

Michigan has the 7th highest number of PhDs in science and engineering. For every 100,000 Michigan residents, 13 have PhDs. Not only are these PhDs more likely to launch a startup company to commercialize their research, this high proportion of PhDs mean Michigan startups have abundant access to a talent pool that can advise and advance the company’s product or service offering.

<table>
<thead>
<tr>
<th>STATE</th>
<th># of PhDs for every 100,000 people</th>
</tr>
</thead>
<tbody>
<tr>
<td>DC</td>
<td>56</td>
</tr>
<tr>
<td>MA</td>
<td>30</td>
</tr>
<tr>
<td>NY</td>
<td>26</td>
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<tr>
<td>MD</td>
<td>15</td>
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<tr>
<td>CT</td>
<td>14</td>
</tr>
<tr>
<td>PA</td>
<td>13</td>
</tr>
<tr>
<td>MI</td>
<td>13</td>
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<tr>
<td>UT</td>
<td>13</td>
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<tr>
<td>IL</td>
<td>13</td>
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<td>MN</td>
<td>12</td>
</tr>
<tr>
<td>CA</td>
<td>12</td>
</tr>
<tr>
<td>VA</td>
<td>12</td>
</tr>
<tr>
<td>CO</td>
<td>12</td>
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<tr>
<td>NC</td>
<td>11</td>
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<tr>
<td>OH</td>
<td>10</td>
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<tr>
<td>TX</td>
<td>10</td>
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<tr>
<td>GA</td>
<td>9</td>
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<tr>
<td>AZ</td>
<td>9</td>
</tr>
<tr>
<td>WA</td>
<td>8</td>
</tr>
<tr>
<td>NJ</td>
<td>8</td>
</tr>
<tr>
<td>FL</td>
<td>7</td>
</tr>
</tbody>
</table>

Source for this graph: National Science Foundation/National Center for Science and Engineering Statistics And U.S. Department of Commerce, Bureau of the Census. Population Division

Ideas

Michigan ranks 6th nationally in the number of invention patents issued (aka utility patents), making it one of the most idea-rich states in the nation. Many of these innovations have commercial applications that lead to new business creation, fueling an increase in need for early-stage capital. That demand now greatly surpasses the amount of venture capital available in Michigan.

<table>
<thead>
<tr>
<th>STATE</th>
<th># of Utility Patents (ie. Patents for Invention)</th>
</tr>
</thead>
<tbody>
<tr>
<td>CA</td>
<td>36,193</td>
</tr>
<tr>
<td>TX</td>
<td>9,222</td>
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<tr>
<td>NY</td>
<td>8,489</td>
</tr>
<tr>
<td>MA</td>
<td>6,409</td>
</tr>
<tr>
<td>WA</td>
<td>5,878</td>
</tr>
<tr>
<td>MI</td>
<td>5,119</td>
</tr>
<tr>
<td>NJ</td>
<td>4,717</td>
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<tr>
<td>IL</td>
<td>4,644</td>
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<td>MN</td>
<td>4,292</td>
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<tr>
<td>PA</td>
<td>3,961</td>
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<tr>
<td>FL</td>
<td>3,953</td>
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<td>OH</td>
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<td>NC</td>
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<td>CO</td>
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<td>GA</td>
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<td>VA</td>
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<tr>
<td>UT</td>
<td>1,228</td>
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<td>DC</td>
<td>133</td>
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</tbody>
</table>

Source for this graph: National Science Foundation/National Center for Science and Engineering Statistics And U.S. Department of Commerce, Bureau of the Census. Population Division
MVCA Staff

MAUREEN MILLER BROSNAN
Executive Director, Michigan Venture Capital Association

Maureen has 27 years experience in the non-profit sector. As the Executive Director of the Michigan Venture Capital Association she oversees the organization’s strategy and direction, and creates awareness of and support for Michigan venture capital firms and activity. In addition to her role at MVCA, Maureen is currently president of the Livonia City Council and has served on the city council for almost 16 years. She is also chair of the board of directors of St. Mary Mercy Hospital in Livonia, Mich., and is a member of the executive committee of the Board of Directors of the St. Joseph Mercy Health System.

She is a former member of the Michigan State Transportation Commission where she chaired the audit subcommittee. She served on the executive team for Governor Jennifer Granholm’s 2002 campaign and as the campaign manager in Judge Connie Kelley’s statewide race for the Michigan Supreme Court in 2012.

Brosnan is a graduate of Central Michigan University, where she earned a bachelor of applied arts degree in journalism and public relations.

EMILY HEINTZ
Associate Director, Michigan Venture Capital Association

With a background in economic development, capital markets, and finance, Emily Heintz brings technical and practical expertise to her role as Associate Director of the Michigan Venture Capital Association. Heintz supports Michigan’s vibrant venture capital community by developing the MVCA Research Report, planning educational and networking events, managing talent programs, and advocating for Michigan’s entrepreneurial community.

Prior to joining the MVCA in 2013, Heintz was a Capital Markets Associate at the Michigan Economic Development Corporation. She designed, implemented and managed the MEDC’s capital markets programs, including the 21st Century Investment Fund, Accelerator Funds, Venture Development Fund, EB-5 Immigrant Investor Program, Urban Investment Program, and direct investments made in venture capital firms around the state. Earlier, Heintz was the Accounting Manager at Ann Arbor SPARK, a non-profit economic development organization aimed at establishing the Ann Arbor region as a destination for business expansion, retention, and location by identifying and meeting the needs of business at every stage. She also worked as an auditor with Plante Moran, the 13th largest certified public accounting and business advisory firm in the United States offering audit, accounting, tax and business advisory consulting services.

Heintz holds both a Bachelors of Arts and Masters of Science in Accounting from the Michigan State University.

JENNIFER ROMBERG
Communications and Events Manager, Michigan Venture Capital Association

Jennifer Romberg is a graduate of the University of Michigan Ford School of Public Policy and comes to the Michigan Venture Capital Association with experience managing political campaigns. As the Communications and Events Manager of the MVCA, she will carry over her project management skills to ensure that MVCA events continue to be successful and help the organization build a stronger investor network in Michigan.
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Tony Grover
Managing Director
RPM Ventures

Outgoing Chairman
Tim Petersen
Arboretum Ventures

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Emily Heintz
Associate Director

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Communications and Events Manager

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Techstars

Jody Vanderwel
Grand Angels

Ryan Waddington
Arsenal Ventures

Paula Sorrell (observer)
Michigan Economic Development Corporation
Michigan Venture Capital Association
CREATING AND SUSTAINING A VIBRANT VENTURE CAPITAL COMMUNITY IN MICHIGAN

The Michigan Venture Capital Association is a catalyst for building a strong, diverse, and entrepreneurial ecosystem in Michigan.

MVCA represents venture capitalists, angel investors, industry service providers, economic development organizations and higher-education institutions – all working together to create new business opportunities and foster Michigan’s growing role as a center of innovation, entrepreneurship, and company creation.

MVCA advocates, builds relationships, and sponsors programs that further the interests of its members.

Bucking national trends toward declining venture capital activity, Michigan has enjoyed consistent, steady growth in venture capital investment, number of venture capital firms, and numbers of investment professionals. Michigan’s burgeoning community of entrepreneurs, venture capital firms, and angel networks has created an environment ripe with demand for the programs and services the MVCA offers. Successful exits have matured founders into serial entrepreneurs, inspiring repeat investments and encouraging sustained innovation in diverse, cutting-edge technology sectors.

Advocacy
Core to the MVCA’s mission is serving as the statewide voice for Michigan’s growing venture capital industry. To advance this objective, the MVCA educates, advocates and communicates to legislators, the media and the general public on entrepreneurial investment opportunities, challenges, and successes in Michigan. An annual legislative outreach day is just one of the many MVCA advocacy activities.

Education and Outreach

The MVCA facilitates the development of a strong network within the Michigan venture capital community and builds connections with out-of-state angel and venture investors through targeted meetings and events. MVCA staff attends local and national industry conferences to advocate for the Michigan investment community.

• Networking Receptions & Events: The MVCA hosts a series of networking events around the state focused on building a stronger investor network within the state. The most popular of these events each year is the MVCA Annual Awards Dinner, which highlights venture capital successes from the prior year. In 2014, a record crowd recognized several exceptional portfolio companies and their investors for achievements in fundraising, exit size and product growth. The evening also honored 2014 MVCA Lifetime Achievement Award Mike Finney, CEO of the Michigan Economic Development Corporation.
• **Immersion Days:**
  Out-of-state investors come to Michigan for an all-day series of meetings, tours, and social events custom-designed to meet their informational needs by the Michigan venture community. Investors obtain first-hand knowledge of the wealth of resources, partnerships and entrepreneurial ideas available in the state.

• **Outreach Visits:**
  Through targeted meetings with out-of-state investors, MVCA communicates key research report outputs, opportunities and successes and builds relationships to be leveraged by Michigan investors. These out-of-state investors are invited to networking events in Michigan to increase collaboration with angel and venture investors.

**Annual Research Report**

MVCA develops and distributes an annual research report, which is a comprehensive summary of venture capital investment activities across Michigan. MVCA works with the National Venture Capital Association, Thomson Reuters and PricewaterhouseCoopers to analyze Michigan activities relative to national trends. The research report is the critical source of quantitative information used to drive initiatives to grow the venture capital community.
Michigan Venture Capital Association
CREATING AND SUSTAINING A VIBRANT VENTURE CAPITAL COMMUNITY IN MICHIGAN

Talent Programs

MVCA offers the Michigan Venture Fellows Program and the Executive Attraction Program, both funded by the Michigan Economic Development Corporation.

These programs have played a critical role in building Michigan’s entrepreneurial ecosystem and help our members attract the best talent to their firms and portfolio companies.

• The Michigan Venture Fellows Program: This program is designed to increase the number of venture professionals in Michigan, in order to accelerate the fundraising and deployment of capital into early-stage companies. Venture Fellows are hired for two years by a Michigan-based venture firm and expected to continue their careers with the firm after the fellowship. Grants for the program are leveraged against salary contributions from venture firms.

Congratulations Venture Fellow Graduates!

ADRIAN FORTINO
“I spent several years as a venture backed entrepreneur prior to becoming a Venture Fellow, so I was very familiar with the industry. While we’ve had a successful launch for Detroit Innovate, I’ve found that fundraising for a venture fund can be just as challenging as it was when I was running my companies.”

JARED STASIK
“Michigan is home for me, and the MVCA Venture Fellows program helped me make the transition home from California. I was lucky enough to join Detroit Venture Partners just as the Fund was making its first investments. I loved the entrepreneurial environment, and even more so, I loved that everything we did was directly impacting Detroit. I’m looking forward to continuing to help Detroit Venture Partners and our more than 20 startups in every way that I can.”

LINDA CHAMBERLAIN
“The process of venture investing offers the honor of sharing in the big vision of the entrepreneur, as well as the practical roadmap on how they are going to make it happen. It affords – at least at that first pitch! – the time to refrain from applying objective filters, applaud the dream, and for me, exercise my inner technology geek and get excited about the commercial possibilities.”

SAM HOGG
“I learned during my Fellowship how much the people matter in this industry. You envision venture capital as picking winning ideas, but A teams with B technologies will outperform the opposite every time. It makes you realize that successful VC firms aren’t necessarily the ones that have the smartest people, but rather the ones that have surrounded themselves with networks for success.”

WILLIAM BLAKE III
“Following my fellowship, I have been afforded the opportunity to remain with Beringea and I am looking forward to continuing to invest and manage the Michigan Growth Capital Partners series of funds. I have enjoyed being a part of the wonderful culture and work environment Beringea has developed and am anxious to participate in Beringea’s promising future.”

Jared Stasik
Welcome New 2014 MVCA Venture Fellows!

DANIEL RATLIFF
"The fellows program seemed like a great opportunity to get involved in the venture capital community, particularly as a younger professional. Having lived in downtown Detroit over the past few years, I’ve seen a lot of traction in the startup community and the growing number venture investors, particularly in Detroit and Ann Arbor, and the Fellows program offered a unique way for a young professional like myself to connect with a firm like Fontinalis that was seeking to add a new member to their investment team to support the firm’s growth."

KATHRYN GARDNER
"There are many attractive aspects of venture capital, but what really hooked me was the opportunity to help invest in life-changing technologies. I believe that the best way to grow the economy is to build small businesses and provide them pathways for success that otherwise wouldn’t be available to them. I am looking forward to developing in my role as an analyst and contributing to the venture capital community in Michigan."

REDA JABER
"I chose to pursue a career in healthcare venture capital because I felt that I could make a significant impact on patient lives, on a large scale, in this role. I hoped to be able to build my career as a venture capital professional in my home state of Michigan, and the MVCA Venture Fellows program allowed me to do that. I’m looking forward to contributing to the stellar team at IncWell where I can help grow exciting early-stage healthcare startups that have the highest potential to make a systemic impact on patient care."

SHANE BLIEMASTER
"Nutshell is a cloud-based Customer Relationship Management platform that was started with a small seed investment, and the team focused intently on building the best product. They’ve grown without any marketing, so being able to build on that is exciting. I feel incredibly lucky and excited to have the opportunity to join such a talented team in Michigan where my skills can contribute to building something great."

The Executive Attraction Program: Entrepreneurial executives are crucial to supporting the continued growth of technology-based businesses and jobs in Michigan. While there is an increasing group of experienced startup executives located in Michigan, the state lacks a deep pool of executives with experience leading angel or venture-backed companies. The MVCA Executive Attraction Program helps companies recruit high-quality candidates through a matching grant program designed to increase the number of portfolio companies in Michigan.

Congratulations to our Newest Executive Attraction Professional!
MEMBER DIRECTORY

VENTURE CAPITAL FIRMS WITH HEADQUARTERS IN MICHIGAN

APJOHN VENTURES
350 East Michigan Avenue
Suite 500
Kalamazoo, MI 49007

ARBOR PARTNERS
535 West William Street
Suite 303
Ann Arbor, MI 48103

ARBORETUM VENTURES
303 Detroit Street
Suite 301
Ann Arbor, MI 48104

AUGMENT VENTURES
206 South 4th Avenue
Ann Arbor, MI 48105

BERINGEA, LLC
32330 West 12 Mile Road
Farmington Hills, MI 48334

BIOSTAR VENTURES
560 West Mitchell Street
Suite 500
Petoskey, MI 49770

CASCADE PARTNERS
29100 Northwestern Highway
Suite 405
Southfield, MI 48034

DETROIT INNOVATE
600 Renaissance Center
Suite 1710
Detroit, MI 48243

DETROIT VENTURE PARTNERS
1555 Broadway Street
Detroit, MI 48226

EDF VENTURES
425 North Main Street
Ann Arbor, MI 48104

FIRST STEP FUND
600 Renaissance Center
Suite 1710
Detroit, MI 48243

FONTINALIS PARTNERS, LLC
1 Woodward Avenue
Suite 1600
Detroit, MI 48226

HOPEN LIFE SCIENCE VENTURES
171 Monroe Avenue NW
Grand Rapids, MI 49504

HURON RIVER VENTURES
303 Detroit Street
Suite 100
Ann Arbor, MI 48104

INCWELL
110 Willits Street
Birmingham, MI 48009

LUDLOW VENTURES
1555 Broadway
Detroit, MI 48226

MICHIGAN ACCELERATOR FUND-I
140 Monroe Center NW
Suite 300
Grand Rapids, MI 49503

MICHIGAN ELAB
505 East Liberty Street
LL500
Ann Arbor, MI 48104

NORTH COAST TECHNOLOGY INVESTORS
206 South Fifth Avenue
Suite 550
Ann Arbor, MI 48104

PLYMOUTH VENTURES
555 Briarwood Circle
Suite 210
Ann Arbor, MI 48108

RESONANT VENTURE PARTNERS
617 Detroit Street
Suite 110
Ann Arbor, MI 48104

RPM VENTURES
320 North Main Street
Suite 400
Ann Arbor, MI 48104

START GARDEN
40 Pearl Street
Grand Rapids, MI 49503

TGAP VENTURES
7171 Stadium Drive
Kalamazoo, MI 49009

WOLVERINE VENTURE FUND
701 Tappan Street
R3200
Ann Arbor, MI 48104

VENTURE CAPITAL FIRMS WITH OFFICES IN MICHIGAN

ARSENAL VENTURE PARTNERS
303 Detroit Street
Suite 100
Ann Arbor, MI 48104
LINEART TEXT BIAIRD CAPITAL
425 North Main Street
Ann Arbor, MI 48104

CULTIVIAN SANDBOX VENTURES
303 Detroit Street
Suite 101
Ann Arbor, MI 48104

DRAPER TRIANGLE VENTURES
303 Detroit Avenue
Suite 100
Ann Arbor, MI 48104

EARLY STAGE PARTNERS
201 South Main Street
Ann Arbor, MI 48104

FLAGSHIP VENTURES
122 South Main Street
Suite 230
Ann Arbor, MI 48104

FLETCHER SPAGHT VENTURES
460 Hillspur Road
Ann Arbor, MI 48105

MERCURY FUND
303 Detroit Street
Suite 100
Ann Arbor, MI 48104

MK CAPITAL
535 West William Street
Suite 303
Pinckney, MI 48103

OPEN PRAIRIE
241 East Michigan Avenue
Kalamazoo, MI 49007

VENTURE INVESTORS
201 South Main Street
Suite 900
Ann Arbor, MI 48104

OUT OF STATE VENTURE CAPITAL MEMBERS

ALLOS VENTURES
120 East Eighth Street
Fourth Floor
Cincinnati, OH 45202

HYDE PARK VENTURES
225 West Washington Street
Suite 1500
Chicago, IL 60606

GM VENTURES
Mail Code 482-C37-D99
300 Renaissance Center
Detroit, MI 48265

FUND OF FUNDS

GROSVENOR CAPITAL MANAGEMENT, LP
260 East Brown Street
3rd Floor
Birmingham, MI 48009

RENAISSANCE VENTURE CAPITAL FUND
201 South Main Street
10th Floor, Ann Arbor, MI 48104

ANGEL GROUPS/NETWORKS AND PRESEED FUNDS

ANN ARBOR ANGELS
125 South Fifth Avenue
Ann Arbor, MI 48104
www.annarborangels.org

BELLE MICHIGAN
217 Lake Shore Road
Grosse Pointe Farms, MI 48326
313.737.1179
www.michbelles.com

BLUE WATER ANGELS
2007 East Austin Street
Suite M
Midland, MI 48642
989.839.2333
www.bluewaterangels.com

CAPITAL COMMUNITY ANGELS
1881 Ridgewood Drive
East Lansing, MI 48823
517 242 0972
www.ccangels.org

CORPORATE VENTURE

DOW VENTURE CAPITAL
1320 Waldo Avenue
Dorinco 100 Building
Midland, MI 48642

CORPORATE VENTURE
Plymouth Ventures is a growth stage venture capital fund that is actively investing $2 to $6 million in companies throughout the Great Lakes region, with an emphasis on Michigan. The fund invests in revenue producing companies with the potential for significant growth through a defined, catalytic event or milestone. With the successful fundraise for Plymouth Venture Partners III in 2014, Plymouth Ventures now has over $100 million in committed capital under management.

Current Plymouth Ventures II & III Portfolio Companies
The MGCS is the State’s largest and most highly sought after venture capital event. It is hosted by the University of Michigan with support from the Michigan Venture Capital Association. This year marks the 34th edition of the MGCS. Thank you for making it a success!

www.MichiganGCS.com

With over $1 billion invested in U-M startups over the past 10 years by 30 of the nation’s most successful venture capital firms, UM Tech Transfer is the go-to resource for venture investment deals in the midwest.

5AM Ventures
Allied Minds
Amherst Fund
Apjohn Ventures
Arboreum Ventures
ARCH Venture Partners
Ardesta
Artiman Ventures
Atlas Ventures
Baird Venture Partners
Beringea
Capital Midwest Fund
Clarus Ventures
Draper Fisher Jurvetson
Early Stage Partners
EDF Ventures
Fidelity Biosciences
First Step Fund
Flagship Ventures
Fletcher Spaght Ventures
Frankel Fund / ZLCF
Frazier Healthcare
Google Ventures
Hatteras Venture Partners
Huron River Ventures
InterWest Partners
Khosla Ventures
Kleiner Perkins Caufield & Byers
Lerer Ventures
Lightspeed Ventures
Lurie Investments
Mercury Fund

University of Michigan MINTS
NEA
North Coast Technology Partners
Northern Light Venture Capital
ONSET Ventures
Osage University Partners
Plymouth Venture Partners
Polaris Partners
RPM Ventures
TGap Ventures
Third Rock Ventures
Union Square Venture
Venture Investors