TO: **SENATE COMMITTEE ON SMALL BUSINESS AND ENTREPRENEURSHIP**
FROM: **Robert Barry, Co-Founder and CEO Stasys Medical Corp. Seattle, Washington**
RE: **Field Hearing - Driving job growth: Small Business Innovation and Growth 04-24-14**

I. Introduction to Stasys Medical Corp and CEO Robert Barry

II. Stasys SBIR grant and how this is helping the company develop the product

III. Why the Stasys Medical device is important and has strong commercial appeal

IV. Why SBIR is important to Stasys and other companies

I would like to thank Senator Cantwell and her staff for the opportunity to discuss the importance of SBIR grants to small business growth in the Seattle region.

I. Introduction to Stasys Medical Corp.
Stasys Medical Corp. is a University of Washington Center for Commercialization spin-out. The company was incorporated in 2012 and is developing a device to solve the need to quickly measure and correct blood clotting dysfunction and stop bleeding after major trauma.

Stasys Medical Corp co-founders are Nathan White. MD, Emergency Physician at Harborview, a regional trauma center. Nathan Sniadecki, PhD, Professor of mechanical engineering at the University of Washington, and Robert Barry, Entrepreneur in Residence (EIR) at the University of Washington.

As an Emergency Physician at a major trauma center, Dr Nathan White deals first hand with the consequences of not having a timely measure for clot dysfunction. Nathan brought this need to Dr Sniadecki, an expert in the field of microfluidics and micropost technologies, to see if Dr Sniadecki's technology might be useful in rapidly measuring clot dysfunction. As anticipated, it was. From there, the project was brought to the UW Center for Commercialization where support for initial feasibility development, intellectual property protection, and project oversight were provided. As an EIR at UW, Robert Barry took interest in the project and after due diligence decided that this idea had many attributes that made it a viable commercial endeavor. Among a handful of attributes were: The device can have a meaningful impact on society with the possibility to save lives and reduce healthcare costs. It is a 510(k) device meaning its clearance by the FDA is based on predicate lab based devices, and this results in a short path to market. Also, reimbursement is already established and the market opportunity is in the hundreds of millions of dollars per year range. Certainly Stasys Medical Corp holds the promise of creating professional, impactful, high value jobs in the Seattle region in the coming years.

Robert Barry – Co Founder and CEO Stasys Medical Corp
Robert has over 25 years of multifaceted experience in the medical device industry. He started his career as an engineer and progressed through project management to executive management to founding and leading start-up medical device companies as CEO. Prior to co-founding Stasys Medical Corp. he founded Uptake Medical Corp. based on his technology for treating lung diseases. Robert lead Uptake Medical as CEO through seed funding and Series A funding from tier I Venture Capital firms. To date Uptake Medical has raised over $70 million dollars and is in the late stages of validation and early stages of commercialization. Robert also co-founded CoAptus Medical Corp and was instrumental in securing an agreement with Boston Scientific Corp. Robert built the product development department and team for Spiration Inc. as Director of Product Development (Spiration Inc. was acquired by Olympus in 2010). In addition to being an EIR at UW, is a screening member for the WINGS angel investment organization. Robert's experience includes working for Boston Scientific, Pfizer, Universal Medical Instruments, and Bausch & Lomb. He holds a Bachelor's degree in Engineering from Rochester Institute of Technology and has over 25 issued patents in the fields of cardiology, radiology, pulmonology and thoracic surgery.

Stasys Medical's SBIR grant and how this is helping the company develop the product
Stasys received a NSF SBIR phase I grant in Jan 2014. The goal of SBIR grants is to encourage small businesses to engage in R&D efforts that have the potential for commercialization, unlike many other academic focused government grants. Winning this competitive awards-based program is important to Stasys Medical as it allows early development of our commercial device outside an academic lab that would not be possible otherwise. Stasys Medical anticipates, and is counting on, an NSF phase II grant to further develop the product and de-risk the company as it drives towards series A funding in 2015.

III. Why the Stasys Medical device is important and has strong commercial appeal
Today, EMTs ,ER physicians, and surgeons often have to make decisions on treatment of bleeding for major trauma patients without valuable information that could save their lives. This occurs because the lab tests, which help the physician identify who has clot dysfunction and why, take too long to get. The resulting late recognition and treatment decreases survival. The early information gap regarding clot dysfunction also leads to sub-optimal blood transfusion strategies and unwarranted complications for patients. Finally, the guesswork that clinicians must rely on currently when treating bleeding trauma patients drives up costs to the patient, hospital, and healthcare system.

Since the Stasys device is intended to be hand-held and portable, it can be deployed in the field allowing for early pre-hospital treatment for hemorrhaging. This could help civilians as well as the men and women of our armed forces.

IV. Why SBIR is important to Stasys Medical Corp and other companies

Now more than any time in recent history, SBIRs play a vital role in the early funding of start-up companies. It is well documented that early investment in medical device companies from private capital is down. In fact, initial private capital financing including angel, seed, and Series A, has dropped by greater than 50% over the past 5 years. The drop in funding has been felt in two ways: a decrease in the average size of initial funding and number of companies being funded. Thirdly, the progress (or de-risking) required to obtain private capital has increased dramatically over the past five years. These three factors combined all point to a gap that must be filled in order to continue to build high growth potential small companies. Excellent programs like the center for commercialization at UW in conjunction with SBIR grants are critical to the future growth and economic health of the Seattle region.

Sincerely,

Robert Barry
EIR - UW Center for Commercialization
Co Founder and CEO
Stasys Medical Corp
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