Ann Arbor, Mich.—The Frankel Commercialization Fund, a student-managed venture capital seed fund at the University of Michigan’s Ross School of Business, has announced an investment of $90,500 in Surgimatix Inc., a developer of a new suturing approach for the health care market. This marks the fund’s third investment in the last year and the first in a health care company.

Surgimatix is an Ann Arbor company founded by Dr. Jafar Hasan, a surgeon from the University of Michigan Hospital. Hasan, who recently completed his plastic surgery residency, is a graduate of U-M’s joint MD/MBA program.

Surgimatix has developed an innovative wound-closure device that combines the convenience of a surgical stapler with the aesthetic and closure strength benefits of manual sutures. This novel approach decreases the time of surgery, which saves operation costs and reduces scarring for patients.

The company intends to utilize the Frankel Fund seed money to fund pre-clinical testing, refine the clinical scale prototype design, and develop the resorbable fastener for the device. The Frankel Fund was formed to help accelerate commercialization of technology and the formation of companies at the U-M.

“We are excited about the opportunity to invest in a company founded by Dr. Hasan,” said Philip Kowalczyk, a member of the Frankel Fund’s Health Care Team. “We believe that the Surgimatix technology demonstrates his unique understanding of the need for a better suturing approach in combination with his of business acumen.”

The Frankel Fund is believed to be the only student venture capital fund of its kind with a focus on the commercialization of ideas and formation stage of new companies. This unique program was formed to provide action-based learning opportunities to students interested in entrepreneurial and venture capital markets, and to provide early-stage funding to explore commercialization potential of business ideas born out of U-M research. The program complements other entrepreneurial and venture capital programs, including the $3.5 million Wolverine Venture Fund, a student-led venture capital fund that invests in early stage companies and is sponsored by the University’s Zell Lurie Institute for Entrepreneurial Studies.

The fund is organized into student teams that function as independently financed venture capital companies providing very early-stage company investing, often known as “seed or pre-seed” investing. Each student team reports to a board of directors comprised of venture capitalists, entrepreneurs, industry experts and CEOs who provide additional mentoring and learning opportunities for the Ross School students.

While studying for his MBA, Hasan was a member of the initial Frankel Fund team in 2006. “Working on the Frankel Fund provided me with hands-on experience in the areas of due diligence and commercialization,” stated Hasan. “As an entrepreneur, the Frankel Fund will be instrumental in helping us to move from an idea that demonstrates a health care breakthrough to a marketable product that could dramatically improve surgical recovery.”
The team of Frankel Fund students responsible for the investment, all of whom are second-year MBA students at the Ross School of Business, include Dan Chagnovich, Andrew Charnik, Dan Saddawi-Konefka, Chris Mortis and Philip Kowalczyk.

"We are particularly pleased to be able to invest in a company that was founded by one of our graduates," said Tom Porter, executive-in-residence at the Ross School and director of the Frankel Fund. "Jafar was an outstanding Frankel Fellow in the first year of the program. He clearly utilized the resources at the Ross School while he was a student here. The quality of his inventive idea and business plan reflect well on the entrepreneurial program at the Ross School and the Zell Lurie Institute for Entrepreneurial Studies."

The Frankel Commercialization Fund is continually seeking opportunities to help jumpstart new companies in Michigan. For more information, visit the Frankel Fund at www.frankelfund.com or contact Porter at tporter@umich.edu or (734) 516-5467.

About the Frankel Commercialization Fund

The pre-seed Frankel Commercialization Fund places teams of MBAs with University of Michigan researchers. Frankel Fund participants evaluate and invest in early-stage entrepreneurial opportunities and learn about the commercialization evaluation process and how to be a seed investor. Teams work closely with medical and engineering research units and with the Office of Technology Transfer for university-owned ideas in the process of commercialization. The Fund is also supported by an advisory board comprised of individuals who have been successful in developing early-stage companies, markets and technologies.

About the Samuel Zell & Robert H. Lurie Institute for Entrepreneurial Studies / Center for Venture Capital & Private Equity Finance

The Institute and its Center for Venture Capital and Private Equity Finance bring together a potent mix of knowledge, experience and opportunities from the front lines of entrepreneurship and alternative investments. The student learning experience is further enhanced through internships, entrepreneurial clubs and organizations and events that serve to provide viable networks and engage the business community. The School's two student-led investment funds, with over $3 million in management, immerse students in the business assessment and investment process. Members of the advisory board include Samuel Zell, chairman of Equity Group Investments; Michael Hallman, former COO of Microsoft Corp.; and Eugene Applebaum, founder of Arbor Drugs Inc. For more information, visit the Institute at www.zli.bus.umich.edu.