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Naples company takes top prize at VentureTech Showcase

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A Naples-based company took the top prize at the VentureTech Showcase in Tampa.

Catalyst OrthoScience LLC, which has developed what it describes as a "breakthrough product" for shoulder-replacement surgery, beat out 13 other contenders to be crowned the "best growth stage" company in Florida.

The grand prize award came with a check for \$100,000 and no strings attached.

"It absolutely helps. You know when you are in startup mode every dollar helps," said Steve Herrington, Catalyst OrthoScience's CEO and a 27-year veteran of the medical device industry.

The company, he said, plans to spend the prize money on research to support its total shoulder replacement system, and on improvements to its product delivery to customers.

"There is a lot of expenses associated with bringing a new device to market," Herrington said.

At VentureTech, sponsored by the nonprofit Florida Venture Forum, competition was stiff. "There were some really interesting technologies there from all across the state of Florida," Herrington said.

Each company had five minutes to make their best pitch to a panel of six judges, then three minutes to answer any follow-up questions. About 80 companies applied to be in the competition, so it was a battle to even be part of it, said Pat Schneider, the forum's vice president.

Judges chose the winners based on several factors including industry growth, scalability and management.

The runner-up, EagleEye Intelligence, based in Boca Raton, received a \$50,000 award. The company has developed a unified intelligence system for public safety and security that includes drones.

The prize money came from Space Florida, the state's aerospace economic development agency. The agency and Hillsborough County partnered with the Venture Forum to put on the competition and business-networking event on Nov. 1

The forum, founded in 1984, has held similar competitions for early and late stage companies. Two other events offered prize money coming from Space Florida, Schneider said.

More than 30 investors attended the VentureTech Showcase, exposing them to companies they may want to put their money into.

In September, the Naples-based Tamiami Angel Fund II, or T2 for short, invested nearly \$1 million in Catalyst OrthoScience to help the company ramp up production.

Tim Cartwright, chairman of Tamiami Angel Funds and a board member of the Florida Venture Forum, was one of the judges at VentureTech. He had to recuse himself on the vote for Catalyst OrthoScience because of his ties to T2. "It was satisfying that the other judges found it worthy of a first place vote," he said.

He noted the runner-up was founded by a serial entrepreneur who has already built, grown and exited two successful ventures.

The prize money from the competition is meant to be a shot in the arm for the winners to help them continue their growth. It's not a loan that requires repayment or an equity investment that changes ownership.

"I think it's worth celebrating that a Naples-based company that was funded by the Tamiami Angel Fund went up against others in a statewide competition and was seen by a panel of six judges as the best growth company in the state of Florida," Cartwright said.

T2 invested \$930,000 in Catalyst OrthoScience. The fund was the lead investor in a \$3.3 million Series A capital raise. Series A refers to the first significant round of capital raised from outside investors.

Other investors in the company include IrishAngels, a Chicago-based group whose members have ties to the University of Notre Dame.

Investor dollars went toward building inventory, beefing up sales and marketing, and completing the management team.

Steven Goldberg, chief of orthopedic surgery at Physicians Regional Healthcare System in Naples, founded Catalyst OrthoScience in December 2014. He started developing his product, called the Catalyst CSR Shoulder System, about four years ago. He has several patents for the device and others pending.

The device, which can fit in the palm of a hand, is made of two materials: a metal alloy, cobalt-chromium-molybdenum, and ultra-high molecular-weight polyethylene. It's in the shape of a shoulder. Used with a new surgical approach, the implant requires less bone removal than other procedures for arthroplasty, or joint replacement.

Catalyst OrthoScience was also one of the semi-finalists chosen to compete in BioPitch at the 2015 BioFlorida Conference held in Orlando. It didn't win, but its pitch put it in second place.