



Matt Wyatt (right), Recovery Force co-founder and CEO, and director of engineering Jeff Schwegman with some of the products in use today that they are looking to improve upon.

EVOLUTION of a COMPANY

Recovery Force Shaping Road to Success

By Tom Schuman

EDITOR'S NOTE: In a six-part series throughout 2017 with Fishers-based Recovery Force, BizVoice® will feature the challenges and opportunities of growing an innovation-based business. Part 1 provides a company overview. Subsequent stories will include assembling a team, financing, dealing with regulatory requirements and more.

When the National Institute of Health (NIH) terms your technology “a marvel in engineering,” you have to think you’re on to something. That quote from an NIH examiner tells two stories for Recovery Force – tremendous behind-the-scenes accomplishments in the last three and half years and moving closer to a commercialization that is much broader than originally envisioned.

Matt Wyatt is no stranger to medical devices, having successful exits after co-founding Nexxt Spine in 2005 and AMB Surgical a year later. The initial focus for what might be best described as “shape-changing memory fibers” to generate additional blood flow was also on the medical side of the equation.

Wyatt admits, “I was quite narrowly focused on the medical application for this. Brian Stasey (co-founder, partner and endurance athlete) saw the need for this technology also in the athletic field. We very quickly recognized crossover application to the military.”

The potential uses expanded from the back and calf to additional body parts (knee, quad, arm, elbow, hand) as well as:

- “How to train and use this material in footwear – so when the foot is in motion, the shoe is tight; when not in motion, the shoe loosens.”
- Sports bras – to reduce breast bounce
- For diabetic patients – to enhance vascular blood flow
- In a decompression wrap for pets, particularly dogs – to reduce anxiety

The result for Wyatt, a Mount Vernon High School and Ball State University graduate:

“I tell my wife that most mornings I feel like I got out of bed shot by a cannon. I’m just excited to be doing what we’re doing. I’m probably even more excited today than in the beginning because we’ve done so much of the heavy lifting. We’re across the threshold into seeing light at the end of the tunnel to monetize the company. I’m a little surprised that I continue to be this excited on a daily basis.”

How it all began

With a three-year non-compete agreement in place after selling a medical device distributorship, Wyatt had plenty of time to ponder the next move in his business future. With about 10 to 15 different possibilities on the whiteboard in his home office, it dawned on him that he needed a filter.

“What I came up with was the three P’s,” he reflects. “I needed to be passionate about it, it needed to be purposeful and it needed to have some prosperity to it. When I looked back at my whiteboard, it narrowed it down to just two things left, I think.”

At the same time, Wyatt was doing some “loose consulting” for a company that made pneumatic cuffs. The question was asked: Why can’t these go mobile? Previous attempts to make the pumps that allowed for the air compressions small enough for mobile use had failed. In addition, his father, already with several health challenges, was facing bilateral knee surgery. Whether he would take the time and make the effort to undergo the typical treatment was questionable.

The Recovery Force solution is to weave nickel titanium into textile fibers. The wearable wraps and sleeves will change shape – based on the proprietary methods and algorithms the company is using – while on the body. The technology allows the user to be mobile and not tethered to a chair or bed with hoses connected to a pump plugged into an outlet.

For patients, Wyatt, says, there is an expected increased compliance because of comfort and mobility – reducing the risk of blood clots. For sports enthusiasts, comfort, “feel good” and ease of use will contribute to using the products before, during and after exercise to enhance recovery.

“The challenge for us is to make this material behave in a manner in which it doesn’t want to behave. It’s not a new material, but the way in which we asked it to behave is very challenging – metallurgy challenges, physics challenges, properties of these materials that were never considered because no one has tried this before,” Wyatt explains.

“These challenges have been tackled by some extremely brilliant people. If you would have told me I would have two Ph.D.’s on my team, I would have chuckled at you.”

On the business side, Wyatt’s prior experience has been most helpful. Despite that, “the old cliché that it’s going to take twice as long and cost twice as much money as you project is very accurate.”

The unique work by the 10 Recovery Force employees is both a blessing and a curse.

“We don’t have people to turn to; we’re learning as we go,” Wyatt confides. “But the barriers to entry are quite high for others. We have patents, provisionals. Others have tried to do this in the past, but we’re thinking we’re two to three years ahead of anyone else.”

Looking ahead

The plan from the beginning, for various reasons, has been to license the technology instead of going directly to consumers. While that remains the preferred route, if exclusive licensing arrangements are not in place in a timely manner, Recovery Force is prepared to proceed with launching two products under a private label.

“What we’re really good at is the innovation and engineering and the science behind this,” Wyatt offers. “What we would need to scale and hire for would be the marketing and distribution for it. We’re willing to do that, but there has been enough interest from several of these strategic global brands that it may make more sense for us to exclusively license our technology to them and continue to work in the background, be the intel to do next generation and next evolution products for them.”

Immediate next steps include:

- Food and Drug Administration clearance (expected as soon as February) followed by clinical trials for the medical products.
- Technology transfer to a contract manufacturer: “We just signed an agreement with a well-respected, publicly-traded manufacturer. We need to be able to demonstrate a manufacturable product to give the certainty this can be built and scaled.”



Expansion into footwear (and many other areas) and meticulous sewing work are all part of a day at Recovery Force.

- Ongoing strategic discussions with global brands: “Those conversations continue to be a bit more substantive today than they were say six months ago. We expect some closure to at least one or two exclusive licensing agreements in 2017.”
- Raise additional funds (\$4 million-\$5 million) beginning in the first quarter. Previous funding, primarily from angel investors, included \$2.2 million (Series A) in February 2014 and \$4.7 million (Series B) in October 2015. “The intention is to seek capital from a couple of strategic groups.”

Based on these developments, Recovery Force hopes to begin to see significant revenue beginning in 2018. While official approval of the NIH grant application that prompted the “marvel in engineering” comment was not yet received in late 2016, Wyatt points to its primary significance as “tremendous validation and need in the marketplace for this technology.”

RESOURCE: Matt Wyatt, Recovery Force, at www.recoveryforceusa.com