

Right-Sized Instrumentation for Operation in Small Structures



Russ Lindemann- CEO

JustRight Surgical exists to serve healthcare providers by developing precisely designed surgical instruments that allow access to confined and often delicate structures. By addressing this comparatively small market, we are able to meet the specific needs of surgeons and promote the advancement of surgical approaches that reach beyond what traditional instruments have allowed. We're doing it because it's the right thing to do. Founded in 2010, JustRight Surgical's team of medical device professionals brings an extensive patent portfolio and a record of developing breakthrough technologies that have transformed surgical procedures.

Interview conducted by: Lynn Fosse, Senior Editor, CEOCFO Magazine

CEOCFO: Mr. Lindemann, what is the concept at JustRight Surgical?

Mr. Lindemann: JustRight Surgical was founded in 2010 by a group of medical device professionals who are building right-sized instrumentation for operating in very small spaces. Our instruments are geared towards micro laparoscopy and for surgery on babies.

CEOCFO: What are some of the challenges in creating those types of instruments?

Mr. Lindemann: Basically, we are taking instruments designed for adults that exist in the operating room today and we are downsizing them seven to nine times. The main challenges are the size, the engineering tolerances and the ability to make these devices work in such a small space.

CEOCFO: What is a concrete example of why it is just not a matter of shrinking what is already in use?

Mr. Lindemann: Our most recent product technology cleared through the FDA is a five millimeter surgical stapler. All existing surgical staplers go through a twelve millimeter port, ours fits through a five millimeter port – this is less than half the size. We use the same staple wire as the standard surgical stapler, but because our device is one ninth the volume, we had to significantly change the staple delivery mechanism. We are dealing with engineering tolerances in the tens of thousandths of an inch. Everything has to be made with great precision and most of the assembly is done under a microscope or a vision system. Those are the real challenges.

CEOCFO: Are you able to use different materials? How are you able to accomplish this goal?

Mr. Lindemann: We have found suppliers that specialize in very small components and in some cases are even pushing the limits of their capabilities. For example, we are using a micro molder making a part smaller than anything they have ever made. We are also using metal injection molding technology that is holding tighter tolerances than they have ever had to hold before. It has to do with finding the right supplier base for raw materials, the right people to turn that material into parts, then the right people to assemble those parts.

CEOCFO: What have you learned in your long career that has helped you most in this venture?

Mr. Lindemann: I have learned that if there is a real clinical need, then the rest will come. Eventually someone will figure it out. What drives our team is the motivation behind why JustRight Surgical was founded. Every one of us appreciates the fact that we are addressing a tremendous unmet need in surgery - especially in pediatric surgery. The pediatric surgeons are using instruments designed for adults. The large medical companies have chosen not to address this market. Pediatric surgeons then don't have a choice and are forced to use adult-sized instruments. This is a real clinical need. Focusing in and staying focused on this mission, has made it very rewarding. We have done a good job of developing new technologies and stretching the limits of what has been done in the past.

CEOCFO: Are there procedures that are not being done because the tools do not exist or are the procedures being done in a more invasive way?

Mr. Lindemann: The answer to both of those questions is yes. Right now there are procedures being done invasively because they do not have the right devices to do them minimally invasively. Even more importantly, putting a twelve

millimeter device in a four-lb. baby is not minimally invasive. It would be in an adult, but a twelve millimeter opening into a child is not minimally invasive. A 3mm or 5mm instrument shaft now allows surgeons to put an instrument between the ribs. We have not only made the diameter of instruments smaller, but we have made the working end smaller. This enables surgeons to see better and manipulate structures more easily. The smaller sizes will benefit adults as well as children with the possibility for less scarring or other complications.

CEOCFO: *Is the medical community paying attention?*

Mr. Lindemann: The surgeons are paying attention. We have a tremendous amount of interest from the surgical community and requests for evaluation of these technologies even before they are officially released and launched. We have also had several inquiries from different companies. So, yes, I think they are paying attention. It is an intuitive solution that needs to be brought to the marketplace and so far we are the only people that seem to be bringing it.

CEOCFO: *Where are you in the commercialization process?*

Mr. Lindemann: We are in a limited launch right now. We are in targeted sites doing our initial clinical work. We will be rolling it out with a direct sales organization over the next six months, so we anticipate adding our first direct sales reps in March.

CEOCFO: *What is the training involved for a surgeon to utilize your tool?*

Mr. Lindemann: The surgeon training is not as intense as if you were bringing out a brand-new technology. The two instruments we are introducing are based on existing technologies and have been used in the operating room for many years. The only difference is that we have downsized them to make them more usable. The devices are very conventional from a surgeon and operating room staff standpoint. One of the great advantages is the learning curve is very short on these technologies because they have used them before just in a larger size.

“JustRight Surgical is a company with a sound mission: to develop right-sized surgical instrumentation. Making these devices available to pediatric surgeons and answering their unmet needs resonates in the medical community.” - Russ Lindemann

CEOCFO: *Where is the challenge in adoption?*

Mr. Lindemann: Possibly in price. The challenges of developing and making this in such a small package are more extensive than if you are just making it in mass volumes like the big manufacturers are today. Our challenges will probably be in pricing and price acceptance. So far the clinical benefits, especially in pediatrics, are so enormous that we have not had any problems justifying the cost differences. But it will be an ongoing discussion especially in today's healthcare environment.

CEOCFO: *Are you funded for the rollout that you would like to do?*

Mr. Lindemann: Yes. We have been fortunate. We are based out of Boulder Colorado and have a group of local, private investors that have funded us from the very beginning. They have been very forthcoming in keeping our machine going. We are closing on a round on May 1st which is what I would call a commercialization round. To date all our existing private investors have requested their full round, so we have not had to go outside of our small private investor based. So, yes, we are very well funded and well supported by our investors.

CEOCFO: *What surprised you as the company has developed?*

Mr. Lindemann: When we first started everyone asked us the same question; you even alluded to it earlier. Developing these instruments just seems like a no-brainer. Why hasn't anyone done it? We were surprised by that as well. We believe big companies can't justify the commercialization piece, but for a small, targeted company, it is a very nice business opportunity. So we continue down a path where there is an absolute unanswered need and we will be the first to market and the first sales organization to respond. We felt like if we were fast we could achieve this goal. I always thought someone would try to catch us, but so far there are no signs of anyone. That is probably the biggest surprise.

CEOCFO: *Why pay attention to JustRight Surgical?*

Mr. Lindemann: JustRight Surgical is a company with a sound mission: to develop right-sized surgical instrumentation. Making these devices available to pediatric surgeons and answering their unmet needs resonates in the medical community. We are very proud of what we are doing. We have a clear mission, and are focused on achieving our goals. The surgical community, our investors and anyone involved in JustRight Surgical have been very supportive. I have a great team and an important mission; that makes all the difference in the world. It keeps us all coming in and working ten to twelve hour days. We have designed and developed two significant technologies in unique configurations and received FDA clearance in three and a half years all in a very cost conscience manner. That is pretty unheard of in the medical device industry.

BIO: For over 25 years Russ has demonstrated the ability to develop strategy, communicate direction, and implement plans that lead to results in the medical device industry. Russ ended his 19-year career at Valleylab, Inc as President from 2002-2003. During this time he completed integration of manufacturing facilities, resulting in \$4 million first year efficiencies and increased operating profit by 15%, all while boosting employee morale through promoting a vision focused on customer and employee satisfaction. He then owned and operated a successful small business during which time he doubled revenue and quadrupled profits. He currently serves as President of 2 entrepreneurial organizations outside the medical industry. Russ holds a B.A. in Marketing from Cal State Chico, and a M.B.A. from Saint Mary's College.



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