

High-tech company has eyes set on growth

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Santa Barbara-based TrueVision Systems Inc., a developer of 3D visualization technology for microsurgery, could double its 50-person workforce by 2012 as the company grows its customer base at specialty clinics, hospitals and medical schools worldwide, according to CEO Forrest Fleming.

"As a company overall we're definitely in a hiring mode," Mr. Fleming said during a tour of the high-tech surgical device company's new 10,000-square-foot facility in the Santa Barbara Business Park, which is four times the space of its former downtown Santa Barbara digs.

Occupying the space for less than two weeks, 30 of the company's staffers are based at the new address -- 315 Bolly Drive in Goleta -- mostly working in software development to support the company's signature product, which has been installed at such august institutions as Stanford University Medical School.

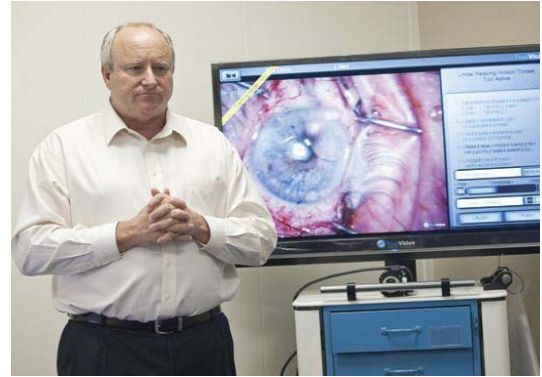
"Welcome to the new TrueVision," said Mr. Fleming, sweeping an arm over his new domain, where high-tech workers, many of them under the age of 30, were in the "bullpen" tweaking the newest iteration of its product, which primarily is used in cataract surgery, the most performed surgery in the world.

Founded by 2003 by scientist Mike Weissman, the company has grown, thanks to about 40 angel investors and sales of \$4 million last year.

"That's not bad coming out of a recession," said Mr. Fleming, referring to sales, which are being stoked by mentions of the product in medical journals and conferences.

"The data suggests we have an 85 percent efficacy rate," he added, referring to third-party audits of eye procedures that are required for clearance by the U.S. Food and Drug Administration to market the product.

In the long term, the company is looking to adapt the product for use in neurosurgery, ear, nose and throat procedures, and dental surgery.



Above, TrueVision CEO Forrest Fleming said the company has been successful in selling its product for use in cataract and refractive microsurgeries. Below, wearing 3D glasses used by surgeons, employees of TrueVision gather for a group shot. The business is ramping up hiring in the Santa Barbara area.

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The extensions to the line will employ software "that enhances surgical precision," said Robert Reali, vice president of sales and marketing.

Mr. Reali said TrueVision's pitch to surgeons is that the software-based program frees them from the limits of old-school microscopic visualization.

While a microscope is still present in the surgical suite, the True Vision system allows doctors to sit in a comfortable position and move without having their eyes fixed on an eyepiece. The images are much larger and are projected onto a flat panel display. Another benefit: the device gives operating room personnel and medical students an opportunity to view exactly what a surgeon sees while working on a patient.

TrueVision has some new money to finance sales and marketing initiatives, and has hired Tom Pickett as chief financial officer. One of his tasks is to secure funding to grow the product line. Institutional investors are being targeted in venture capital hot spots such as San Jose, the Bay Area and Boston.

Mr. Pickett has 25-plus years of experience as a senior finance and operations executive with companies ranging from technology-based start-ups to a multi-national publicly traded corporation in the information services business.

His successes include leading the financial turnaround of two companies, raising more than \$128 million in debt and equity for eight companies and completing eight acquisitions.

"I believe the company is far enough along where the investment opportunity is compelling," said Mr. Pickett, who will also help shepherd a proposed joint venture with a Chinese medical device manufacturer, which wants to sell TrueVision's product line in the world's most populous nation.

Mr. Fleming expects details of the joint venture to be finalized in about 60 days.

"It should be a bonanza for the kinds of products we make," he said of sales opportunities in Asia.

In the meantime, the company's 20-person sales force is eyeballing opportunities on a couple of different fronts. One is selling the product, which ranges in price from \$75,000 to \$100,000, directly to three major companies -- Zeiss, Leica and Moeller. The companies make the surgical microscopes to which the TrueVision system is attached.



Forrest Fleming, Tom Pickett and Robert Reali.

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"It's a very symbiotic relationship," Mr. Reali said.

The company also is active at medical conferences, exhibiting the product at such venues as the recent Cataract and Refractive Surgeons Convention.

"They've become some of our best new product development people," said Mr. Fleming of the doctors.

Surgeons like the fact that the device is comfortable and mitigates some of the back and neck pain that results from performing microsurgery.

A certain amount of hardware is needed for the medical device, and this assembly work is done in Huntsville, Ala.

"The company is called Synchro and it is a very well regarded contract manufacturer," said Mr. Fleming, who doesn't want to outsource manufacturing overseas. TrueVision is a product made in the U.S.A., the management team proudly declares.

The company's principals are also excited about the economic value the company's growth is contributing to the local labor market.

"UCSB is a great farm system for us," said Mr. Fleming. "We get some of our best and brightest talent from the school," he said, referring to recent hires from the school's computer science and mechanical engineering departments.

"The takeaway for Santa Barbara is that we are contributing to a knowledge-based workforce, which are the kinds of high-wage jobs we want to create," he said, adding that 80 percent of the company's revenue goes to salaries and benefits.

"We are part of the solution to one of America's biggest problems: job creation!"

Mr. Fleming envisions a time when the company has perhaps "hundreds of employees" at its Santa Barbara corporate headquarters.

"We have the intellectual capital here to evolve and prosper," he said, and looks to capitalize on academic scholarship that advances computer technology and image science and helps grow the product line.

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