

In the News

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Subsidiary of SAGES Facilitates Investment in Early-Stage Companies

SAGES Ingenuity Announces Backing For Surgical Device Company Endolumik

By Jenna Bassett, PhD

LOS ANGELES—A new subsidiary of the Society of American Gastrointestinal and Endoscopic Surgeons, named SAGES Ingenuity, has joined forces with Varia Ventures to establish a new investment fund, and recently announced its initial financial support for Endolumik.

SAGES Ingenuity is a newly incorporated subsidiary of SAGES that was founded to invest in and accelerate innovation in support of SAGES' mission.

SAGES Ingenuity President Christopher Schlachta, MD, explained that SAGES

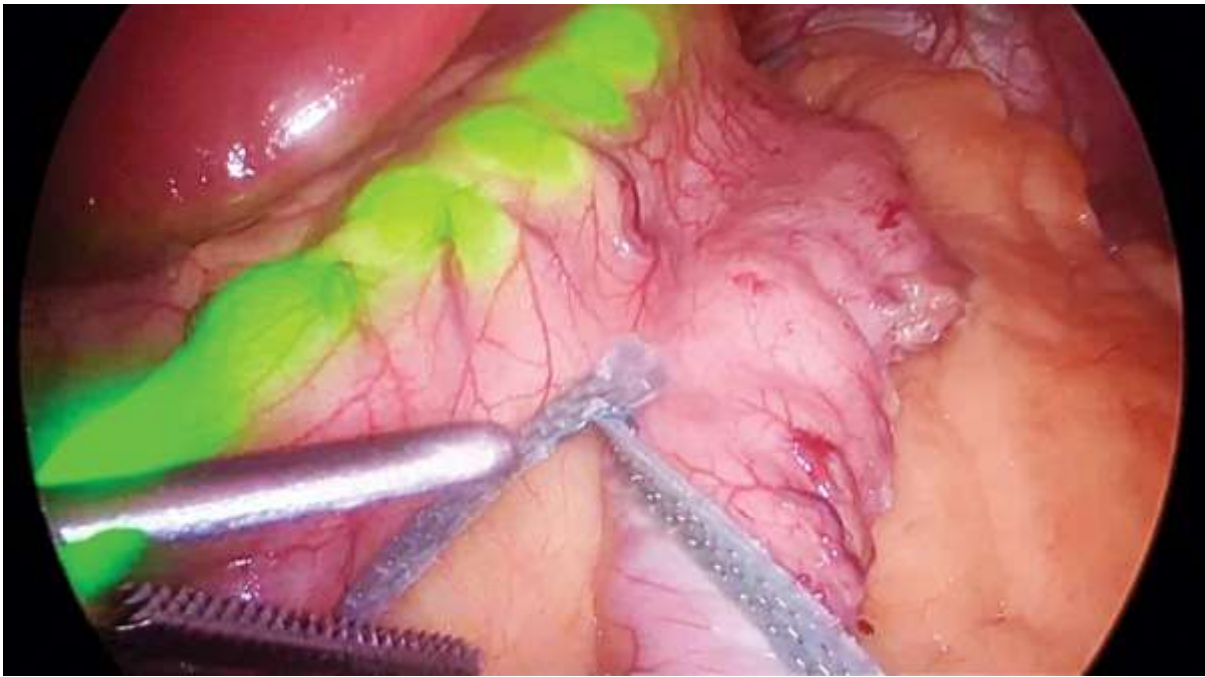
Ingenuity is focused on three major goals: to support SAGES, strategically invest in surgical innovations and pursue financial opportunities for SAGES members.

“We’re trying to provide SAGES with the opportunity to gain some further financial autonomy through alternate revenue streams. That’s one of our goals,” Dr. Schlachta said. “Our second one is to address the innovation agenda: Considering that we see SAGES as being the innovation society, we want to be able to further our mission of being innovators by being able to strategically invest in developing technologies in support of surgical innovation. Third, through SAGES Ingenuity, we’re working on ways of actually providing our membership with an opportunity to invest and, as a service to our members, to have alternate investment vehicles for their own investment portfolios.”

The idea for SAGES Ingenuity was born from the SAGES goal of supporting surgical innovation.

“The SAGES leadership was talking about, ‘What can we do to really foster innovation? What can we do to help these companies get up and running? What can we do to support our members who want to be creative?’ These were things that we saw as holes in the available options, and we essentially built this whole thing and SAGES Ingenuity to help support that,” explained SAGES Ingenuity Vice President Aurora Pryor, MD.





Endolumik manufactures fluorescence-guided surgical tools for laparoscopic surgery and recently developed a system that integrates near-infrared light to improve visualization during sleeve gastrectomy and gastric bypass procedures.

Images courtesy of Endolumik.

Another contributing factor to the founding of the new subsidiary was the SAGES Shark Tank competition, which was developed to help support clinicians' commercial innovations by showcasing them in an annual competition at the SAGES annual meeting. (SAGES Shark Tank is not affiliated with "Shark Tank," which is owned by Sony Pictures Television Inc.)

"Part of our goal is to connect surgeons to people with capital to help make their ideas come to reality, and then connect those people to a broad audience that can generate ideas," said SAGES Ingenuity Secretary/Treasurer Steve Schwartzberg, MD.

In addition to promoting their work, Shark Tank competitors have the opportunity to win investment funding and prize money. Clinicians interested in applying for the Shark Tank competition can learn more at www.sages2023.org/shark-tank-2023/.

SAGES Ingenuity joined forces with Varia Ventures (www.varia.com), a venture firm that partners with professional organizations to facilitate venture investing, to establish an investment vehicle for their members. Varia Ventures was brought in initially to help judge the Shark Tank competition, but "what they saw was the potential of SAGES, as a 7,000-member society, to allow physicians to be part of the startup process," Dr. Schwartzberg noted.

Through SAGES Ingenuity, members can lend financial support to promising new technologies without directly investing in a company. To mitigate the conflicts of interest that might arise from physicians investing in startups, SAGES Ingenuity and Varia Ventures collaborated to launch a subsidiary venture fund called the SAGES Investment Network Collaborative (SINC) fund.



“SAGES Ingenuity is designed to help foster innovation and technology and give opportunities for alternative funds,” Dr. Pryor said. “Within SAGES Ingenuity is SINC, which invests in new technologies and offers our members the opportunity to invest. But SAGES Ingenuity is bigger than that, and we have other options for alternative investments to support SAGES missions.”

SAGES members and friends of SAGES can invest in the SINC fund with a minimum amount of \$10,000.

“What’s really special about this is there are plenty of physician investing funds, but you have to bring a quarter of a million in, or \$100,000 in. We made it possible for even relatively young surgeons to invest,” Dr. Schweitzberg said. “That opportunity at the \$10,000 range is particularly uncommon.”

“I’m not aware of another society that has created what we have, as far as this democratized investment vehicle in support of the innovation agenda that we’re pursuing,” Dr. Schlachta noted.

People interested in investing in the SINC fund can enroll and learn more at www.sincinvest.varia.com/.

The SINC fund recently made its first investment, in Endolumik (www.endolumik.com), a medical device company based in Morgantown, W.Va., that won the 2021 Shark Tank competition. Endolumik manufactures fluorescence-guided surgical tools for laparoscopic surgery and recently developed a system that integrates near-infrared light to improve visualization during sleeve gastrectomy and gastric bypass procedures.

“There has been a big uptick in robotic surgery, and sleeve gastrectomy is the most common bariatric procedure performed in the world today,” Dr. Pryor said. “This technology should make it easier to visualize the bougie that’s used in sleeve gastrectomy, even with a platform that doesn’t have tactile feedback, like the robot. We think that this has the potential to have a big impact in the robotic space. Also, if it makes anything easier, I think it makes us better at what we do, and technologies that can make us better surgeons are the kind of things we’re trying to invest in.”

With this investment, SAGES Ingenuity hopes to return a profit to investors and to SAGES, but also hopes “for Endolumik to be successful and to get that technology into the hands of the surgeons who want to use it,” Dr. Schlachta said.

“It is for this reason SAGES Ingenuity has to sit across the firewall from SAGES,” Dr. Schweitzberg pointed out. “The society itself makes no decisions about what SAGES Ingenuity invests in. The people on the SAGES Ingenuity Investment Committee are completely separate from the society so that autonomy and best principles, according to the [Accreditation Council for Graduate Medical Education], are maintained.”

Innovators who want to be considered for investment by the SINC fund can submit an application at www.sages-ingenuity.com/application-for-investment/ .