

EKG Concepts LLC

A Case Study in Entrepreneurial Collaboration



Company Profile

EKG Concepts LLC, Gary Krause

Gary Krause
RN, CEO
262-498-5047
Fax: 262-456-2198
gk@ekgconcepts.com

- Created and Patented: Rapid Cardiac Analysis Tool (R-CAT) products (Used for identifying EKGs and 12 Leads)
- Received trademark for R-CAT - Rapid Cardiac Analysis Tool
- Received 5 copyrights, 2 patents and have 2 other products pending.

EKG Concepts: Executive Summary



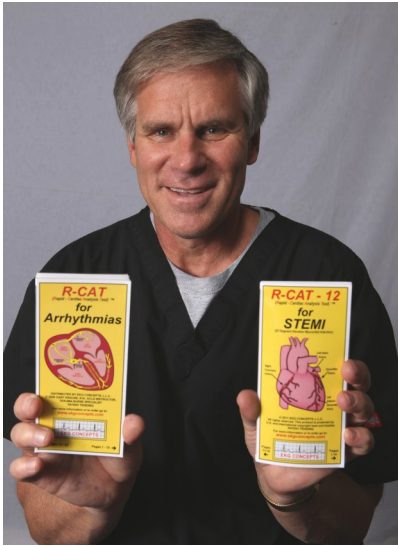
EKG Concepts LLC is a company that was established in 2010 to develop and market products that address a problem existing with regard to the reading/interpretation of EKG machine output. The company developed and markets the Rapid Cardiac Analysis Tool (R-CAT) products which are patented reference and educational tools. These products are used for accurately and rapidly identifying both EKG rhythm strips and 12 lead EKG changes associated with a heart attack. The market segments are clearly defined and are subject to high demand. This year more than 920,000 Americans will have a heart attack, and nearly half of them will occur without prior symptoms or warning signs.

250,000 Americans die annually of Sudden Cardiac Death. When a patient is having a heart attack the coronary arteries that feed the heart are being blocked. Time is critical. The faster the coronary artery is opened the better the patient outcome. Patients who are treated quickly experience few immediate complications from the heart attack, have less heart damage and are less likely to suffer from long-term heart failure. EKGs are the first line noninvasive tests that are used on a person experiencing signs and symptoms of a heart attack. Although a machine produces EKG outputs, a human being must read the EKG output. The current process is archaic and time consuming. EKG readouts are frequently misread with dangerous consequences. EKG Concepts has developed unique, compact tools that are placed over an actual patient's EKG to rapidly and accurately identify signs and symptoms of a heart attack. These products encompass unique designs, and are based upon extensive market research with the participation of leading cardiologists. The R-CAT products have been marketed by EKG Concepts for over 3 years and are well accepted by medical personnel for their unique and accurate ability to read/interpret EKG readouts.

Currently EKG Concepts markets seven products and two additional products are in the product development pipeline. Two R-CAT products have already received patents and won Top Product awards in 2011 and 2012 at National Medical Trades conventions, and the balance have patents pending. All R-CAT products are copy righted and R-CAT is now an official trademark. In the past 3 years the R-CAT products have been sold in all 50 states with many repeat customers from the four key markets; Hospitals, Medical Clinics, Nursing Schools and Paramedic Operations (ambulance and fire departments).

Since the start-up of EKG Concepts in 2010, annual sales have double in 2011 and 2012 and are on their way to tripling in 2013. EKG Concepts key to success is their commitment to continuous development of high quality and low cost EKG identifying tools used by the medical field for reference and education in EKG interpretation. The company has expanded its global market by executing a contract with WorldPoint, a leading global medical products and healthcare training supplies and materials Worldpoint presently has distribution in Europe, Latin America and the Pacific.

Timeline



Gary Krause has over 20 years of experience working with Electrocardiograph machines (EKG's) and reading/interpreting the output from the machine's patient measurements. During this period, Gary became aware of the fact that many high-risk EKG abnormalities are often misread, creating potentially life-threatening situations. A national study indicated that failure to identify high-risk EKG abnormalities occurred in 1 of 8 patients. This study highlighted the importance of system/product changes to enhance the accuracy of EKG interpretation.

Gary founded EKG Concepts with a vision to develop and market innovative and unique tools to significantly improve the overall process of reading/interpreting EKG output. His goal was to develop and market products providing improved accuracy, as well as superior ease/speed of use versus the archaic tools currently in use.

Gary didn't set out to be an entrepreneur, he just saw a need for improving the level of training tools available for medical professionals. Gary set a high standard to develop products that would decrease errors and be easily accessible to all medical professionals.

Gary knew he couldn't start this venture on his own and that he needed assistance with; legal protection, product development, production and manufacturing, distribution, marketing, sales, pricing, quite frankly he needed a lot of help.

Through his work at the hospital a colleague suggested he connect with the Racine County Economic Development Corporation that they would be able to assist him. Through this connection with RCEDC Executive Director, Gordy Kacala, Gary connected with Fred Brooks from BizStarts Milwaukee, and Kate Walker from Gateway Technical College.

In spring of 2011 Gary began working with Fred Brooks on identifying printing companies and manufacturers who could assist him with production. Fred met with Gary regularly to discuss strategy, pricing, and to navigate this unfamiliar territory. He often accompanied Gary on meetings to assist him. Fred and Gary would meet often, and communicated often (sometimes daily) to make sure things were going smoothly

Simultaneously, Gary began meeting with Kate Walker to discuss his products, ideas for enhancements and new products. They also reviewed where he was at with protecting his intellectual property. Kate assisted Gary with identifying additional resources that could assist him in his efforts including; the development of a business plan, and enhancing his marketing.

Gary knew he had a lot of ideas and that he needed to establish a plan. Gary enrolled in Small Biz, a business planning course, in January of 2012, offered in collaboration with UW-Parkside's Small Business Development Center and the Wisconsin Women's Business Initiative Center. Gary spent an intensive 15 week period working on his plan with Mary Jane Zvara, WWBIC and Jim McPhaul, UW-Parkside SBDC.

*1990– 2010
20 years of
experience
leading up to
starting a
business.*

Spring 2011

January 2012

Timeline Continued

August 2012 —

Gary connected with Kristin Niemiec, of Launch Box in August of 2012 to work on promoting his business and participate in a pitch contest. Gary had entered the First Annual Racine/Kenosha Fast Pitch, and following the event Kristin met with Gary and conducted a property search and toured a few locations with him to assist him in moving the business out of his home. Ultimately, business really picked up and he put his plans for a new location on hold.

Gary started to realize his efforts were paying off. Gary realized that trade shows were a great medium to tell his story and share his products. He became well known in the circuit, with people waiting in lines just to hear about his new products. This didn't go unnoticed by trade show participants particularly the distributors of medical products. One distributor took notice and approached him about working collaboratively.

Again Gary found himself in unfamiliar territory, but through the efforts of his legal team, and partners at BizStarts and Gateway he found the assistance he needed during the process. Kate brought in Mike Gibbs from SCORE who had a strong background in distribution and product development. Mike began working closely with Gary to assist him in establishing his target markets and identifying the top three distributors he would like to work with. Gary was hesitant about the exercise but found it helpful in identifying his value proposition for what would end up being his first choice for a distributor.

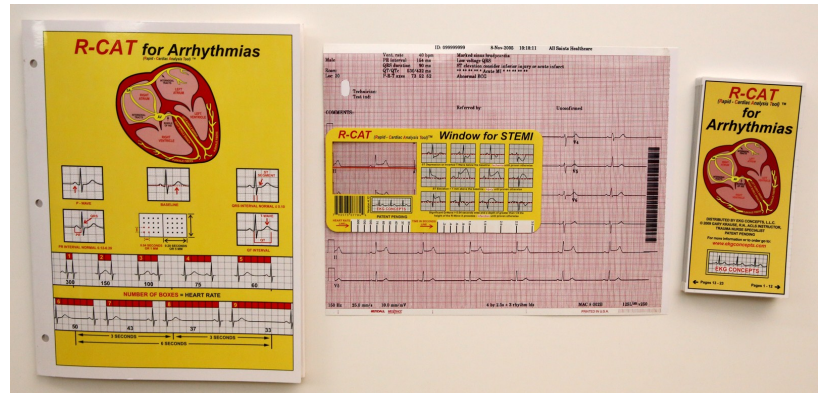
January 2013 —

Finally, the strategy to optimize access to the various market segments and expand internationally was addressed and a major international medical products distributor was chosen. An agreement with the distributor, Worldpoint, was executed in January of 2013.

Since signing the Worldpoint agreement, sales have steadily increased. EKG Concepts and Worldpoint have begun working jointly at various medical trade shows, and training of the Worldpoint sales and administrative personnel is well underway. Translation of EKG Concepts' products into multiple languages for introduction into Europe and Latin America is also in progress.

The partnership with Worldpoint has freed Gary of the day to day fulfillment of orders, phone calls, and trouble shooting. Gary is extremely creative with strong interpersonal skills. Gary did not originally set out for a career in health care but after a debilitating accident developed a passion to go into nursing based on the life saving care he had received. This passion instilled in him the drive to provide quality care to his patients and assist other medical professionals in development of his tools. His work ethic is unmatched, as evidenced by the fact that in addition to managing his company, he continues to work 20 hours per week in the cardiac and emergency areas of the local hospital, teaches, and does local seminars when his schedule allows.

In summary Gary Krause saw a need in the market place for providing quality tools for medical professionals. Gary knew he couldn't do it on his own and through accessing resources and service providers he was able to navigate the process and establish a successful business. Gary is passionate about his experience and is proactively sharing his story with entrepreneurs and referring them to his advisors.



Successes

- One of 20 finalist in Wisconsin Governor's Business Plan Competition 2013
- Featured panelist at a Nursing and Entrepreneurship Panelist that included over 350 participants at Gateway Technical College.
- Nurse Alumni award for 2013 from Gateway Technical College
- Developed 4 hour interactive class "Understanding 12 Lead EKGs"
- R-CAT products won Top products at the Journal of Emergency Medicine National Conference Baltimore 2012.
- 2012 Distinguished Alumni Award by the Gateway Technical College Alumni Association
- Educational Speaker at National Sales Conference for Mortara Industries 2011
- Numerous products write up in National EMS magazines such as EMS World, Journal of Emergency Medicine in 2010-2013 regarding all 7 of the Rapid Cardiac Analysis Tools.

Entrepreneurial Service Providers



Biz Start's Venture Track programming provides strategic connections and advising for innovative, potential high-growth companies to help them launch, grow and prepare to raise capital or other sources of funding.

The Venture Track program consists of services that assist entrepreneurs at different stages of their company, from the pre-launch stage through early stages of funding, by providing mentors, workshops, coaching and connections.

BizStarts Milwaukee, Fred Brooks
www.bizstartsmilwaukee.com



Gateway Technical College's Innovation Center focuses on entrepreneurship and innovation, located at the SC Johnson iMET Center. Gateway offers assistance to regional businesses, community partners, and students at the newly expanded integrated Manufacturing &

Engineering Technology Center, iMET. To support entrepreneurs and innovators of all ages, they offer services and customized training in the areas of Business Exploration, Business Start-Up, Business Growth, Business Mentoring, as well as provide a network of Entrepreneurial Resources. Product development assistance for inventors, business counseling, business growth, and open innovation for business and industry.

Gateway Technical College, Kate Walker
www.gtc.edu



SCORE SE Wisconsin provides free, confidential mentoring to both start-up and existing businesses in Southeastern Wisconsin. This mentoring can either be in-person, via telephone or e-mail. They serve the ten counties in Southeastern Wisconsin - Dodge, Jefferson, Kenosha, Milwaukee, Ozaukee, Racine, Sheboygan, Walworth, Washington, and Waukesha.

SCORE volunteers provide mentoring to help small business owners and managers identify problems and opportunities, determine the causes, find solutions and develop action plans. SCORE volunteers help prospective and start-up business owners with sales and marketing strategies, operating plans, financing, and more.

SCORE matches volunteer business-management mentors with present and prospective small business owners in need of expert advice in virtually any area of business management

Score counselor, Mike Gibbs
www.scoresewisconsin.org

"Keep away from people who try to belittle your ambitions. Small people always do that, but the really great make you feel that you, too, can become great."
- Mark Twain

Entrepreneurial Service Providers



Launch Box is a business development resource that helps entrepreneurs and small businesses reach the next stage of their professional journey. They believe in supporting small business enterprise is the best way to help Racine sustain a robust business environment and a vigorous economy.

Launch Box has numerous resources for business plan assistance, licenses and permits, financing your business, business education, business training, workforce development and staffing, and more to start and grow a business within the city limits of Racine, Wisconsin.

Launch Box, Kristin Niemiec
www.launchboxracine.com

"Our success has really been based on partnerships from the very beginning."
- Bill Gates



The UW-Parkside SBDC provides education, training, and no-cost one-on-one counseling to entrepreneurs and existing businesses throughout Southeastern Wisconsin. A program of the College of Business, Economics, and Computing, the SBDC also offers workshops and business writing courses to help understand the clear picture of what it takes to run a successful business.

Some key roles of the SBDC include:

- Coaching and guidance to businesses
- Financial lending assistance
- Business/Marketing/Strategic Plan development
- Business startup plans
- Market analysis for businesses
- Financial analysis
- Minority business assistance
- Growth assistance for existing businesses
- Tech venture support

Small Business Development Center, UW-Parkside, Jim McPhaul
www.parksidesbdc.com



PUTTING DREAMS to WORK

The Wisconsin Women's Business Initiative Corporation (WWBIC) is a statewide economic development corporation providing quality business education, technical assistance and access to capital.

Business Loan Programs:

Loans of \$1000-\$100,000 available to qualified businesses with an emphasis on women, people of color, and low-income individuals.

Business Education Programs:

Approximately 350 business courses and workshops offered in Milwaukee, Madison, Dane County, Racine/Kenosha, Green Bay/Fox Valley, Beloit/Janesville annually. Topics include business planning, entrepreneurship, marketing, financing, the Internet, and personal money management.

Wisconsin Women's Business Initiative Corporation, Mary Jane Zvara
www.wwbic.com

Entrepreneurship is a Collaborative Process: A Special Thanks from Gary Krause

"In starting a new business, I wasn't aware of all the complex details that went into the manufacturing, promoting, distribution and legal aspects of a product.

Through Score, Biz Starts of Milwaukee, and Gateway Technical College I was given the knowledge to create a company and get a product out into the world so that all could benefit. They taught me what was needed to make a business successful. I was introduced to various knowledgeable, hard - working people who had gone down this road before me. I am so thankful for all of their expertise in the start-up and success of my company, EKG Concepts, LLC."

A special thank you to:

Kate Walker – For her enhancement ideas, assistance in locating resources, marketing statistics of my product and her availability to answer questions and support .

Mike Gibbs, my mentor – his background in distribution and product development was beneficial in reaching the target markets for my products. I am thankful for his support and patience on all the questions and concerns I continually had.

Mary Jane Zvara and James McPhaul for their help and expertise in developing my business plan.

Fred Brooks – for his assistance in researching companies needed to manufacture my products and for the introductions of others to help in my quest.

Kristin Niemic for her involvement with the FAST Pitch Contest and conducting property/ location searches to aid in expanding the business out of my home.

My wife Suzette and my sister Linda Hazen for all their support

EKG Concepts Products

For more information or to order EKG Concepts Products please contact

Hours of operation: Monday through Friday, 7:30am - 5:30pm CST.

Telephone: (888) 322-8350

Fax: (888) 281-2627

Email: customerservice@eworldpoint.com



"This case study was prepared by Gateway Technical College under award 06-79-05547 from the Economic Development Administration EDA, U.S. Department of Commerce. The statements, findings, conclusions, and recommendations are those of the author(s) and do not necessarily reflect the views of the Economic Development Administration EDA, or the U.S. Department of Commerce."



"Success is not the key to happiness. Happiness is the key to success. If you love what you are doing, you will be successful."
- Albert Schweitzer



Gary Krause, EKG Concepts LLC

Contact:

Kate Walker

262-898-7410

walker@gtc.edu

Find us at:

Gateway Technical College

SC Johnson iMET Center

(integrated Manufacturing & Engineering Technology)

2320 Renaissance Boulevard, Sturtevant, WI 53177

www.gtc.edu



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