



Co-Investment: Three Angel Groups Invest in Matrix Electronic Measuring Inc.

Jan Srack, co-founder and president of Matrix Electronic Measuring Inc. (Salina, KS), is truly a woman with a magic wand. Her company has developed a handheld, electronic measuring system that accurately and precisely measures collision damage so that a body shop can repair a vehicle back to factory specifications.

The Matrix Wand System (which includes a wand, cameras, computer, and software) collects infinite measurements and infinite data with stereoscopic photo documentation and archives all that information electronically for retrieval and analysis. The wand is about three feet long and weighs about five pounds. It is extremely accurate and simple to use. Repair technicians pass it over the damaged parts of the vehicle.

"I have been in the collision industry for 25 years," says Srack. "We've never had good electronic measuring, and that causes inaccurate estimates and improper repairs. For example, it is not at all unusual for body shops to have to hang car doors or bumpers as many as ten times."

With the Matrix wand, body shops can take pictures before, during, and after repairs. "When you take a regular photograph, there is no measuring," Srack explains. "Our stereoscopic cameras capture images in three dimension and measure length, width, height, and depth from pixel to pixel."

This helps insurance companies make accurate repair estimates and total fewer cars. The system saves body shop technicians time by assuring that the correct replacement parts are ordered and that they fit properly the first time. It makes repair customers happy because their vehicles can be restored more quickly to the way they were before the damage was done.

Three Kansas angel groups team up the series A round

"Matrix has a revolutionary product. They own the intellectual property. The auto body industry hasn't seen this much innovation in a long time," says Trish Brasted, founding member of Midwest Venture Alliance (MVA) of Wichita, the angel group that led the round. "Matrix had solid investors already, and we shared a common investment philosophy as to what we wanted to accomplish over the next two years."

MVA began working with Matrix at the beginning of 2008 to structure the company for further investment and to prepare the Matrix Wand System for product launch. The series A funding will provide working capital to complete product development and for sales and marketing to move the wand system into the marketplace.

Two other Lenexa, KS angel groups, Mid-America Angels (MAA) and Women's Capital Connection (WCC), participated with Midwest Venture Alliance. The three groups provided just over \$1 million of the approximately \$1.5 million round.

The investment in Matrix Electronic Measuring was Women's Capital Connection's first investment. "We started WCC formally in January of 2008 as a women investment network investing in women-led ventures," says Sherry Turner, executive director of the Kansas Women's Business Center, an economic development organization that manages WCC.

WCC's more than 30 founding member investors are a mix of entrepreneurs who are still in business, serial entrepreneurs who have exited, corporate executives, professional volunteers, and philanthropists. In the group's first year of operation, WCC had 46 women-led companies inquire, 12 of those moved forward into the deal pipeline, six companies presented, and more than half the group's members invested in Matrix Electronic Measuring.

"Our investors are so excited about Jan and the company," Turner says. "She is bringing out a product that appears to be a total shift in the industry, which made us secure with the business plan. On top of that, she is running another company that has been in automobile collision industry for quite some time.

She is such a genuine person; when she presented in front of the women, there was a great connection and great energy in the room."

Brasted says that Midwest Venture Alliance likes to co-invest. The group is organized as a network with about 50 members, has been in operation for five years, and has invested in 12 rounds of funding in six companies. "In most deals, we have leveraged with other people," says Brasted. "We look for investors who share our investment philosophy. We will lead or follow if the terms and good and deal is right."

The three Kansas angel groups share diligence and information freely. "We are part of a network of angel groups and collaborate on an ongoing basis on a lot of different things revolving around startups," Brasted says. "That's the key to syndicating groups. The more you get to know each other, the easier it is to share information. We are in it to provide money that is going to make a return for us as investors. The better and longer we work together on our portfolio companies, the more success we'll have."

Auto body repair is one of many applications for the Matrix technology.

Matrix has seen a lot of interest from secondary markets within collision repair and also in markets that are completely different, such as crime scene investigation. "This technology is also a platform technology. Auto body repair is one of about 100 plus applications," Brasted says.

"What has become really exciting is that Matrix is not just a product company. We have become an information technology company. We can provide virtual online data to a body shop, to insurance companies, or to other potential markets," says Srack.

"Working with the angel groups has been fabulous," she continues. "Unless you've taken a revolutionary idea and developed it into a real product that can go to market, you don't know the depth of what that takes. It is beyond difficult. Without the angel investors, Matrix would not be a company today. It isn't just the money. It was the quality of the networking of the angels themselves. It was their investment, support, and encouragement. Angel investors are always interested in helping if you need outside answers and willing to share their wealth of knowledge and contacts. I do want their opinions, and I listen to what they have to say."