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SoloHealth plans \$20M rollout

Premium content from Atlanta Business Chronicle by Urvaksh Karkaria, Staff Writer

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A Johns Creek, Ga.-based software maker plans to invest more than \$20 million as it rolls out health-screening kiosks nationwide.

SoloHealth Inc. has developed a self-service kiosk that helps identify risk factors related to obesity, hypertension and vision. The next-generation machine conducts a diagnostic health risk assessment using an interactive questionnaire and measures blood pressure, body mass index and visual acuity. Based on this assessment, the consumer is directed to a local health-care practitioner for follow-up care.

Using information such as gender, age and ethnicity, SoloHealth's machine can suggest risk factors associated with certain groups.

SoloHealth recently raised more than \$8 million. Investors in the new round include health-care IT industry veteran Walter Huff and Coinstar Inc., which makes Redbox self-service DVD rental kiosks.

SoloHealth plans to use the funding to more than double its workforce and prepare for a national rollout. The growth strategy hinges on getting its kiosks into more locations and expanding the device's capabilities, CEO **Bart Foster** said.

For SoloHealth, getting a critical mass of devices into market in a short period of time is necessary, said **Larry Gerdes**, CEO of Atlanta-based **Transcend Services Inc.**

"You need a number of devices, in a number of places, to have a meaningful share of the market to be the solution of choice," said Gerdes, a SoloHealth investor. "Walmart won't be satisfied unless these devices are in every one of their stores."

SoloHealth's timing for a national rollout is prescient, considering the growing trend of consumerism in health care. A provision in the health reform law allows employers to give incentives to employees to work to improve their health. That incentive could drive up use of health stations.

"Employers are trying to reduce their health-care costs," Foster said. "They want to empower their employees to take care of themselves through on-site health screenings."

By enabling consumers to self-monitor certain medical conditions, SoloHealth's devices can help identify problems early and keep people out of crowded hospitals and doctors' offices, said **William Longley**, CEO of Scientific Intake Limited Co., a medical device maker.

"It lightens the load on the whole health-care system if the patient can do some of this work on their own," Longley said.

SoloHealth plans to roll out more than 8,000 kiosks nationwide, through retailers such as **Walmart**, over the next two years.

Financing that high-octane growth will be a challenge. SoloHealth, which has raised nearly \$13 million so far, plans to raise additional financing in the next 18 months. The company also plans to borrow money to help pay for the national rollout.

The financial crisis has made it harder for high-risk, early-stage companies to raise capital from traditional lenders, such as commercial banks, Gerdes said. SoloHealth will likely have to raise debt from more expensive capital sources, such as mezzanine funds.

"The country used to allow commercial banking to take a somewhat aggressive role in lending and that is no more," Gerdes said.

Retailers, who lease the SoloHealth kiosks, like the health stations because they can drive in-store pharmacy sales and add value to the shopping experience. The devices offer advertisers — physicians, opticians, pharmaceutical and consumer goods companies — access to a targeted and receptive audience.

The demographic and health-care data that SoloHealth kiosks collect is also attractive to governmental agencies, seeking to identify health disparities.

"Imagine if you have 10,000 units across the country that's testing people's blood pressure and you're capturing age, ethnicity and gender," Foster said. "You can start to say that, "OK, African-Americans over 40 in West Texas look a little bit more hypertensive than those in Atlanta."

SoloHealth is working to broaden the scope of its device, including additional diagnostic testing functionality.

The company is developing a health and wellness software platform that includes a consumer Web portal and mobile apps.

By developing a multi-condition device, SoloHealth differentiates itself from the “one-trick pony” competitors who address a single medical condition, Longley said.

“A store is never going to have a vision tester, a blood pressure machine and a scale,” he said. “They’d much rather have it all put into one [device] because the floor space is so valuable.”

SoloHealth Inc.

- **Background:** The Johns Creek, Ga.-based startup has developed a self-service kiosk that conducts a diagnostic health risk assessment and measures blood pressure, body mass index and visual acuity.
- **In the news:** SoloHealth recently raised more than \$8 million and plans to invest \$20 million over the next few years as part of a national rollout.
- **Employees:** Nearly 25

Urvaksh Karkaria covers Technology and Health Care