

Data-centric WPC Healthcare eyes capital raise to deepen Taproot

Update: On Sept. 30, 2015, WPC Healthcare announced management-led buyout from parent WPC, with financing participants West End Holdings and CapStar Bank. Guzman remains CEO. Terms were not disclosed. Baker Donelson advised on the transaction. Guy Crossley joins as President. -Ed.

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Owners of the Brentwood-based company are likely to decide "within 30 days" whether or not to retain an advisor to undertake raising "a few million dollars," he said, adding that a firm target has not yet been set.

Proceeds from the raise would be used mainly to fund sales and marketing of its Cloud-supported Taproot Solution Suite of proprietary tools, he said.

Guzman confirmed the company has received a "double-digit" number of investment inquiries from both institutions and individuals, reflecting strong interest in the healthcare sector, which has been widely reported. WPC has had informal talks with some potential advisors regarding a raise.

"People are looking to put a lot money to work," but his company would accept capital only sparingly, with emphasis on investors' knowledge of Taproots' markets being an important partner criterion. A strategic sponsor that is familiar with Taproot and which has a compatible corporate culture would be considered for partnership, said the CEO.

According to Guzman, interest in WPC/Taproot is growing because, while the Healthcare sector has amassed oceans of data, now there is need to adopt tools and services that help integrate and aggregate data, draw insights from it and then report to data users. Taproot growth is to be its priority during the next three years, he said.

An "arm's race" toward extracting value from data is underway in Healthcare, Guzman said.

WPC Healthcare -- registered in Tennessee in 2011 as WPC Services LLC -- is a subsidiary of 40-year-old **Washington Publishing Company**, based in the Seattle area. The business resulted from the parent's 2008 commitment to broadening its consulting practice, which was subsequently transformed into a subsidiary.

Four-year-old WPC Healthcare -- which positions as enhancing clients' "Information IQ" -- has approximately 40 employees, half of whom are based here, with another 20 located in other regions. Its recruitment of talented workers who fit its culture is facilitated by referrals from its current employees, said Guzman.



WPC Healthcare's revenue increased 51% in 2014, with its consulting practice helping to fund overall growth and development. Its business is concentrated in four areas: reimbursement; compliance (e.g., related to ICD-10, meaningful use); data integration from disparate sources; and, data-science-driven insight.

Guzman confirmed that he holds an interest in the company, in addition to Washington Publishing Founder **Steve Bass**, and WPC Healthcare's Chairman **Andrew Fitzpatrick**, COO **Chris Vrooman** and CFO **Roger Honz**.

Guzman said that in addition to having a parent company that holds a unique position in EDI publishing, WPC Healthcare has assembled a notable technology team, including Chief Data Scientist **Damian**

Mingle. Mingle has previously worked for HCA, Coventry Healthcare and Morgan Stanley. Mingle is also a frequent top-ranked competitor in global data-science contests organized by the likes of the Mayo Clinic, in collaboration with Kaggle.com.

In addition, **Hays Green** is VP for solutions development; and, **Patrick McGrath** is VP technical services.

Its parent company is the exclusive publisher of certain electronic data interchange (EDI) standards for compliance with the Health Insurance Portability Accountability Act (HIPAA). In addition to the Healthcare vertical, the parent publishes EDI content for the Insurance industry and for Transportation (rail, ocean carriers), according to its website.

Guzman said virtually all its business now comes on referral, thus it is seldom in head-to-head competition, although he acknowledged that other entrants include such majors as **OptumInsight** and **Accenture**, as well as tech consultancies. Additional large companies, such as **Salesforce** are continually wading into the Healthcare space, he noted.

Currently, WPC Healthcare's sole local outside advisor is **Amanda Ceconi** of **The Punching Nun Group**, a marketing consultancy. Ceconi is listed as chief marketing officer on the WPC website. "We've been under-invested in sales and marketing," noted Guzman.

The company's other advisors include attorneys with **Ward & Klein** (Bethesda, Md.), and accountants with **Bashey Hutchinson & Walter** (Bellevue, Wash.). It banks with **Bank of America**.

Prior to joining WPC in 2012, Guzman's civilian career included technical and sales roles with Microsoft, Dialogic Communications and others. He also served five years in the U.S. Army, focused on information technology.

He is a member of the board of the Tennessee Chapter of the Health Information Management Systems Society (**HiMSS**); and, he is a 2009 alumnus of the **Young Leadership Council, for Greater Nashville**.

Guzman, 37, is also very active in support of several child-advocacy and healthcare nonprofits, according to his **LinkedIn**.

He, his wife and their five daughters reside in Williamson County.



Damian Mingle
Chief Data Scientist



Amanda Ceconi
The Punching Nun Group