

TECHNOLOGY

Industry vet seeks \$25M for 'telepresence' venture

By Ben Hammer
Staff Reporter

A veteran of the local communications scene is raising \$25 million to develop a chain of videoconferencing facilities with new technology championed by several industry heavyweights.

Howard Lichtman, a former vice president with Internet protocol applications company Savvis Communications, had been advising clients on so-called "telepresence" technology, which uses high-definition audio and video feeds and life-size images to simulate face-to-face contact for business meetings or even medical consultations. He left Savvis in 2001, and after a series of other jobs in the industry launched Ashburn consulting firm Human Productivity Lab.

Lichtman plans to use the new funding to spin out Powwow Virtual. His goal is a chain of about 10 videoconferencing centers in major cities, the first in McLean inside Tysons Galleria. Powwow would also sell and license its own proprietary systems and technology that embeds cameras at eye level behind a screen to make conversations more lifelike. Suite rental runs about \$100 an hour.

The facilities would act as showrooms for systems released in the last year by tech giants Hewlett-Packard, Cisco Systems, Polycom and others that Lichtman wants to partner with to assist large companies building internal telepresence systems. Equipment costs range from \$20,000 to \$600,000 depending on type of model. A full telepresence suite can easily run \$1 million or more fully built out.

"Some of the vendors are interested in building a global network," Lichtman says. "People are just starting to realize this is a billion-dollar opportunity."

Lichtman is no stranger to working with large public companies.

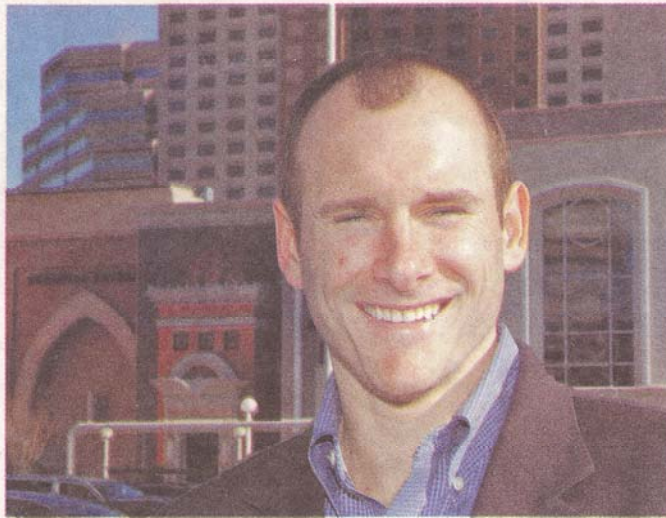
He started and ran the financial industry sales force at Savvis, which delivered network services to almost 1,200 customers at the height of the Internet bubble. The Reston company raised \$333 million for itself and \$48 million for investors in a 2000 IPO before taking a hit along with the rest of the communications industry in 2001.

Powwow faces significant challenges though. New network technologies take a long time to gain widespread adoption because they're only as useful as the number of users online. Powwow's prospective partners are large public companies that often take a long time before committing to small startups, if they do at all. Also, Powwow has to convince corporate road warriors that spending on telepresence is a more cost-efficient alternative to traveling than existing videoconferencing technology.

Cisco's move into the telepresence space lends legitimacy to the new technology with corporate users, says analyst Robert Arnold, who wrote an October report for market research firm Current Analysis.

But initiatives by the major network hardware companies could prove a double-edged sword for Powwow and others with a lower-profile industry position.

"Rival telepresence developers themselves may now also become more attractive acquisition targets for Cisco competitors in the [Internet protocol] communications market," Arnold wrote. "Because of the high



JOANNE S. LANTON

CALLING FUTURE: Howard Lichtman, president of Powwow Virtual, wants to open a next-generation teleconferencing center in Tysons Corner as soon as he secures funding for his company.

price point of the solution, the need for specialized network assessments, and the potential for sizable (and costly) infrastructure upgrades, the market for high-definition telepresence solutions may very well remain niche for a long time to come."

Lichtman is not alone in his quest at Powwow. He's recruited a high-profile team of advisers and says he has a chief technol-

ogy officer, a chief information officer and two dozen people lined up for key positions to start "slamming and jamming on this as soon as someone signs a check."

Brent Houlahan, former CTO of NetSec, is an advisory board member and the self-described technologist behind some of Powwow's intellectual property.

He's now vice president of strategy and

Building his tele-team

Howard Lichtman has assembled an impressive advisory board to support his goal of raising \$25 million to set up telepresence videoconferencing centers. Members in public company executive posts include:

■ **Chris Van Waters:** chief information officer of Reston healthcare information-technology company QuadraMed

■ **LeMoyné Zacherl:** Reston-based CFO of educational IT company Learning Tree International

■ **Jeff Dalton:** regional chief technology officer for public insurance and real estate information provider Stewart Information Services

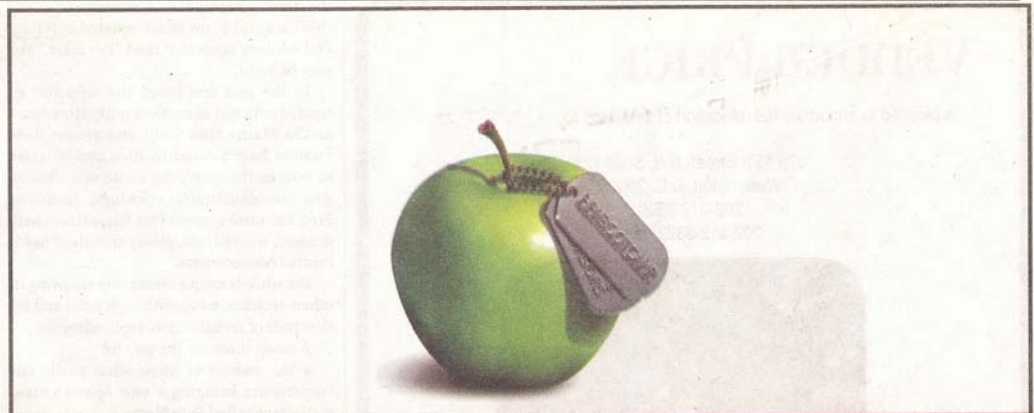
■ **Tim Nielsen:** vice president of sales for the financial vertical of business information software maker SunGard Data Systems

■ **Brent Houlahan:** the former vice president of managed services for MCI

alliances for D.C. network communications software company Intelli7. Houlahan helped Lichtman secure an early 2007 meeting with Bethesda venture firm Novak Biddle Venture Partners, an Intelli7 investor, and says he'd consider joining Powwow after finding a buyer for Intelli7.

"We're going to build out the software stack and delivery model so if the customer wants to bite off a piece and have it in their facilities, we can do that," Houlahan says. "What you'll see coming out [of Powwow] is some intellectual property around a unique combination of technologies."

■ E-MAIL: BHAMMER@BIZJOURNALS.COM PHONE: 703/258-0831



THE WORKFORCE HEALTH AND CORPORATE PROFITABILITY CONNECTION

by Bruce Sherman, MD
Medical Director, Global Services,
The Goodyear Tire & Rubber Company

Healthy employees for a healthy bottom line" is more than just a saying — it's a business strategy that aligns an employer's approach to workforce health with organizational profitability. And it's not necessarily difficult; however, it does require a different way to think about health care expenditures. Instead of thinking about employee health as an expense, consider it an investment. Investing in the health of your workforce ensures that employees feel good, are at work and productive to their full potential. Increased workforce productivity results in increased sales volume, ultimately resulting in increased profitability.

The concept of investing in employee health isn't very much different from investing in other organizational assets to keep them working optimally.

Historically, the approach to managing these two employer assets has been very different. Human resources personnel have managed health care costs (with the primary goal of cost containment), while equipment/facility costs have been managed by operations, to increase productivity. With Six Sigma, process reengineering and lean manufacturing initiatives, employers have been able to increase business productivity. Viewing investments in employee health as another component of an operational

improvement strategy, it only makes sense that healthier employees are more productive. Employers who recognize the workforce health and profitability connection are taking steps to ensure that they're using the same business approach for employee health benefits as they are to generating work output. These organizations approach employee health strategically, ensuring that health-related benefits, as well as relevant workplace policies and practices are all aligned to promote both health and profitability. Simply put, good health is good business.

Learn the exact how-to's of health and productivity management from Dr. Bruce Sherman and other nationally known experts at HPM Bootcamp, Feb. 20-22, 2007 at the Bethesda Marriott. Register at www.HPMbootcamp.com.