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## **People Power raising capital to support telehomecare platform, CEO says**

*by Deborah Balshem*

People Power, a Palo Alto, California-based telehomecare provider focused on seniors, is in the process of raising a USD 15m Series C financing, said CEO Gene Wang.

Privately held People Power is targeting strategic investors and financial sponsors with knowledge of digital health, Wang said. The business-to-business (B2B) company began speaking with investors roughly three months ago, when the first reports of COVID-19 surfaced. It is not working with an investment bank, the CEO noted.

As the pandemic has spread, a handful of venture capital firms have pulled out of talks due to a moratorium on new investments, but that loss has been offset by People Power getting “a lot more inbound interest” in its telehomecare business from strategic investors and other VCs, Wang said.

Capital raise proceeds will be used largely to expand the company’s sales and marketing team in the senior care space, which People Power entered in late 2017.

People Power was founded in 2009 by Wang and David Moss, president and chief technology officer, as a cleantech software firm focused on the utilities sector. That business now accounts for 20% of sales, with telehomecare comprising the rest.

The company significantly bolstered its telehomecare capabilities with its acquisition of Silicon Valley-based homecare agency support company Tri-Cura, announced 22 April. People Power is now focused on targeting homecare agency, skilled-nursing facility and hospital clients.

Right now, the bulk of clients for both its energy efficiency and demand response smart home app and cloud services, and telehomecare solutions include “innovative telcos and utilities looking to diversify offerings as electricity use declines,” Wang said. “These companies have home security systems and millions of clients, and many are migrating towards family care.”

Customers include China Mobile and Exelon, a USD 35bn energy company with 10 million customers throughout the US.

According to Wang, People Power raised a total of USD 14.4m in outside capital between 2014 and early 2017. Investors include angels and Internet of Things (IoT), energy and utilities companies MediaTek [TWSE:2454], Origin Energy [ASX:ORG] and Innogy SE. Innogy was acquired by German utility Eon in 2018 from RWE for EUR 43bn.

People Power has more than USD 5m in revenue and projects closer to USD 20m by the end of 2021, with most revenue recurring, according to Wang. The company anticipates profitability next year.

If People Power is not able to raise its Series C, Wang said the company can control expenses to give it "unlimited runway."

The current capital raise will likely be the last one before an exit, though there are no set plans for a sale at this time, Wang said. People Power continues to consider acquisitions, and a large deal might trigger consideration of a Series D round.

People Power's artificial intelligence (AI)-powered connected telehomecare platform tracks the location of patients and sends mobile alerts if they wander away from home or fall and are unable to get up. Its software-as-a-service (SaaS) can tell if the front door is open, which room the occupant is in and when the medicine cabinet is accessed. It can also measure sleep patterns and quality of sleep.

Caregiving is the third-fastest growing industry in the US, with 10,000 people turning 65 every day and roughly 90% of them wanting to age at home, according to Wang. The COVID-19 pandemic is providing additional tailwinds.

A recent report from the Centers for Disease Control found the death rate from COVID-19 in adults 80 years of age or older to be 15% and possibly as high as 22%. With COVID-19 first appearing in nursing homes in the US, seniors are expected to demand more than ever the choice to age at home, that report notes.

In 2018, People Power – along with the University of California, Berkeley – received a three-year research grant totaling USD 4.5m from the National Institute on Aging to identify connected in-home support solutions to help caregivers provide better care for seniors with dementia.

People Power has 46 employees. The bulk of its business comes from the US, though the company does business in China, Canada and Europe.

The company uses law firm Sheppard Mullin and accounting firm Frank Rimmerman.

Prior to People Power, Wang was CEO of four start-ups, including surgical robotics company Computer Motion, which went public before being acquired by Intuitive Surgical; Internet digital camera and photo service PhotoAccess, whose hardware division was purchased by Agilent; and Bitfone, a technology provider for mobile phone firmware updates that sold to HP in 2007 for USD 160m.

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