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Dave Del Toro is CEO of Provation Medical, which makes software that streamlines record-keeping and procedural tasks for physicians, nurses and other health care workers.

Independent once again, health-tech company Provation plots growth

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Health-tech company Provation Medical Inc. is out from under the umbrella of its former long-time Dutch parent company and headed toward the cloud.

The maker of medical-documentation software launched as a homegrown Twin Cities startup in the mid-1990s, gaining the backing of several local investors before Dutch information-services company Wolters Kluwer bought it in 2006. After that deal closed, Provation maintained a substantial presence in Minneapolis' North Loop neighborhood, where roughly 170 out of its 200 employees work.

Now the company is back to its roots as a standalone business, thanks to Wolters Kluwer's decision to sell Provation to private equity firm Clearlake Capital Group. The transaction, worth \$180 million, closed in March.

Today, Provation is well-positioned to expand through the launch of new products and possibly acquisitions, said CEO Dave Del Toro.

Del Toro joined Provation the Monday after Thanksgiving in 1999, when the company had roughly \$1 million in annual revenue and about 100 employees. At the time, Y2K was a big growth driver for the company as health care providers raced to upgrade their systems ahead of 2000. The company's growth slowed after that, Del Toro said, and Provation ultimately brought in top executive Mark Wagner, who led the business through its sale to Wolters Kluwer. (At the time of the sale, Wagner said the deal was worth at least \$112 million.)

Today about 1,500 hospitals use Provation's technology, which streamlines record-keeping and procedural tasks for physicians, nurses and other health care workers.

The company has long sold software tethered to individual workstations, rather than cloud-

based tools that physicians can access online. That will change with the launch of a new product called Apex, which Provation will sell under a subscription-based software as a service model. The move will allow Provation to incorporate more analytics tools and other features into its software, said Dan Manchon, the company's senior vice president of marketing.

The company also aims to expand by serving more medical specialties. It has historically had a strong foothold with gastroenterologists, but now wants to expand further into markets like pulmonology and orthopedics.

Provation will also add jobs as it ramps up marketing efforts as a standalone company. It recently hired Tom Monteleone, a former executive at Elkridge, Md.-based Ancile Solutions, to serve as its chief financial officer, and Jim Mullen, a former Nextech executive, to serve as senior vice president of global sales.

"We're in growth mode and starting to think about how we scale up," Manchon said.