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## **Elderly Can Visit Friends, Family Without Wandering Far From the Rocking Chair** ***Family Virtual Visits Makes Virtue of Latest Web Technology***

BY MARLISE ELIZABETH KAST

Family Virtual Visits recently introduced technology to provide live video visits for the elderly residents of select senior living facilities in San Diego.

Launched last year, the specialized Internet service enables senior citizens to stay connected with friends and family through state-of-the-art Web-based equipment.

Merritt Widen, chief executive officer of Family Virtual Visits, said his company spent two years developing the customized user-friendly software. "The hard part was to make it easy," recalls Widen. "The system is now automatic and seniors can be connected to family members via a large-screen TV without any effort. Any senior who can watch TV can enjoy virtual visits with loved ones."

To use the service, each senior community designates a private room where FVV installs a virtual visit center. This center consists of a computer, a large-screen liquid crystal display, or LCD, monitor, a mini-digital video camera, a microphone, modified lighting, backdrops and cabinetry.

The facilities pay an initial set-up fee and then a monthly subscription.

To enjoy unlimited virtual visits with senior community residents, participating families pay a monthly fee of \$20. The service includes installation of a two-way online camera, called a Webcam, orientation and technical support from FVV staff members.

### **Easy To Use**

Among the attractive FVV features are its simplicity and the fact that it is cost-free to residents.

The procedure itself is relatively straightforward. As Widen explains, "The Virtual Visits are set up by the off-site family members through our Web site using proprietary software



Lawrence Schewe talks with family friend Jennifer Marshall using an Internet-based video service launched by Family Virtual Visits last year.

designed to be extremely easy to use. The senior community is informed of the scheduled visit so that senior residents can be reminded.”

Each scheduled visit is 15 minutes in length. When it’s time for the visit, family members log in and a clock begins to count down. If no subsequent users are scheduled at the senior community, visits can be extended beyond the initial 15-minute segment.

The Springs at Oceanside is one of three California Assisted Living Facilities utilizing the FVV service. The virtual visits are a valuable amenity that enhances the lifestyle of senior residents, according to Springs Community Relations Director Maria Tessitore.

“We can help stimulate the seniors through activities, but we can never take the place of family members,” she said. “FVV helps to bridge this missing component.”

Initially designed as a tool to connect seniors with distant family members, the service has extended beyond those boundaries. To date, FVV has effectively linked war veterans, Holocaust survivors and alumni.

### **Connecting Across Distances**

FVV Community Facilitator Sheila Sommers said some of its clients are connecting with loved ones as distant as France and England.

“They take such personal interest in these online visits that they often prepare for them by dressing up or having their hair done for the camera,” Sommers said. “It’s a delight to see their joy after a virtual visit.”

Echoing this sentiment is Wilma Clarke, a resident of the Springs.

An avid FVV user, she regularly uses the service to connect with her family and friends in five states. Her most frequent visits occur with her cousin, Betty Farrell, who lives in Brooklyn, N.Y.

“My first virtual visit with Betty was very emotional because we had not seen each other for two years,” Clarke said. “The last time we had met, I had been very sick and had lost 150 pounds. When Betty could actually see me, she realized that I was healthy again. Family Virtual Visits are so much better than the telephone because the camera cannot hide your expressions.”

Wilma’s reaction is typical of FVV users. The reception among the participating elderly has been gratifying.

Managers recognize that FVV gives them a competitive advantage and is valuable in keeping seniors content and therefore, healthier.

## **Serving Senior Community**

Founded by Phil Knudsen, Geoff Meredith and Widen, the concept took two years to be developed. Recognizing the potential in technological advancements, the team focused on the senior living industry because of its favorable demographics and its inability to develop solutions internally.

Each of the founders could identify with the concept, not only for its financial potential, but also on a personal level.

The mothers of all three founders lived in distant senior communities and the founders realized that thousands of families were grappling with the same concerns that they shared.

They saw virtual visits as an extraordinary business opportunity and a chance to impact several generations at once.

Implementing their plan was costly, however. After an initial outlay of \$200,000 to organize the business, the founders raised more than \$800,000 in equity from family and friends. Additionally, they secured \$560,000 in venture debt.

In the current year, they intend to raise another \$1 million from investors.

Despite this initial outlay, the founders are optimistic about the company's future.

“Our costs of providing this service are quite low, therefore the margins are potentially high,” said Widen, referring to predicted earnings before interest expenses, taxes, depreciation and amortization are deducted. “We have constructed a business model based on some reasonable assumptions. One of these core assumptions is that we sell the company to a major player at the end of 2009 at a multiple of 8.4 times EBIDTA. Though nobody really knows what is going to happen at that time, we will show an extraordinary return to our investors if we can achieve this.”

## **Branching Out**

Based on current commitments, the FVV founders expect to launch their service in 20 other communities by Oct. 31. These would predominantly be located throughout California, Mississippi, Missouri and Pennsylvania. So far, they say they have a monopoly on this market. With additional funding, they expect to have several hundred communities participating within a year. Of the 60,000-plus senior facilities in the United States, FVV says it anticipates having as many as 15,000 signing up for their service within five years.

“We are spending the current year refining our procedures, gaining industry awareness and starting pilot programs in large and medium chains,” Widen said. “Since the pilot

programs are in senior community chains, each of which operates hundreds of facilities, this allows for a geometric rollout in the next two years.”

This projected business expansion is based on the assumption that FVV services will be viewed as a “must-have amenity” in senior communities.