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# Cary firm, out of Johns Hopkins, pitches software to CROs

Product now in use at 50 hospitals, says CEO, creating revenue of \$25,000 to \$80,000 per subscription.

Triangle Business Journal - by [Frank Vinluan](#)

CARY – Cary startup Diagnosoft developed its software to offer analytics to the cardiac MRI scans of patients in hospitals. Now the company is angling for a role in the clinical testing of drugs.

It's a market that goes beyond the primary customer base of hospitals that the company has built since it was spun out of **Johns Hopkins University** in Baltimore in 2002, says CEO Firas BenAchour.

BenAchour says he relocated the company from Maryland to the Triangle in 2009 because of the region's strong presence in both health care and pharmaceuticals. Drug development represents an opportunity for the company due to the U.S. Food and Drug Administration's tougher standards for heart safety.

"Just about every drug now requires a cardio assessment," BenAchour says.

If Diagnosoft software gets traction among clinical research organizations looking for additional drug safety assessment tools, the company could grow. Right now, head count is 18. BenAchour says he's not sure how much the company would need in a third round of fundraising.

Diagnosoft was initially bootstrapped by its founders at Johns Hopkins and also received a technology loan from the **Maryland Technology Development Corp.** In December 2008, the company raised \$4 million in a second round of financing from **Technology Development Fund**, a venture capital firm based in Cairo, Egypt. Diagnosoft maintains an office in Cairo, where R&D work is done.

BenAchour declined to disclose Diagnosoft's revenue or burn rate, but he says the company has sufficient cash.

The company's connection to venture backers in Egypt comes from company founder Nael Osman, who is a native of Egypt. BenAchour says that by establishing an R&D office in Cairo, Osman hoped to contribute to the health-care industry in Egypt while building a company in the United States.

BenAchour says the company's software enhances the offerings of a cardiac MRI. While an MRI gives doctors a visual image, the software provides quantifiable measures of vitals such as the flow of blood through arteries and the strength of the walls of the heart.

Diagnosoft's technology received **FDA** clearance in 2006. BenAchour says sales were slow initially because cardiac MRI was still getting established as a diagnostic tool. Health-care market research firm Kalorama Information projects that sales of MRI equipment in the cardiac area will grow by 2.5 percent to 4 percent in 2010. World market revenue for MRI systems used in heart-cardio scanning is forecast to reach \$605 million in 2012, up from \$556 million in 2008.

BenAchour says the software is in place in 50 hospitals in the United States and around the world. A software subscription can cost anywhere from \$25,000 to \$80,000 a year, depending on the size of the hospital and the number of users.

The challenge that Diagnosoft and other vendors in health care have run into is that the financial climate has hospitals clamping down on spending. BenAchour believes CROs might be more willing to spend, particularly if a diagnostic tool can help them move a drug more quickly through trials.

Diagnosoft Clinical Manager Michael Luttrell says cardiac MRI is becoming standard in assessing the efficacy and safety of drug candidates. The company last year was approached by a CRO to use its software in a clinical trial. MRI equipment manufacturers such as **GE** and **Siemens** do have software for their products. But BenAchour says their offerings are not as robust.

"They're equipment manufacturers, not software manufacturers," he says.



Steve Wilson

CEO Firas BenAchour moved company from Maryland to be near cluster of CROs in the Triangle.

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