

# Richard Toren

## The Art (and Heart) of Invention

When he's out on the green after a long week at work, Richard Toren isn't exactly switching gears. Though there is arguably a clear distinction between his role as President and Chairman of the Board for CodeRyte and his role as a golfer amidst the tranquility of the course, the philosophies at work—or play—are much the same. Both environments are shaped by competition, and both are reliant upon character traits like patience, focus, and a strong drive in order to sink the ball in the hole. And, while golf may differ from business in its margin for ethical error, one must ultimately answer to either the spectators or to oneself. If you employ golf ethics within your business practice, refusing to cut corners and exhibiting honesty and integrity in your endeavors, you're on the track for birdie over bogie, as Rick's ideology dictates.

This system of unassuming tenacity and firm ethics has been a part of Rick's life since early childhood. Even at such a young age, he held the concept of independence to be paramount and worked to raise money mowing lawns and shoveling snow in elementary school. His entrepreneurial flare shone first as he orchestrated a small lawn mowing business to maximize profitability, and again later in college when he started a small franchise that installed and managed pinball machines in the frat houses of Penn State. This business, his first sale, went for \$10,000 when he graduated.

Rick's road to CodeRyte, his current enterprise, has been an ever-escalating series of luck and proactivity. He found himself fresh out of college in the midst of the Vietnam War, barred from service due to a basketball injury to the knee. It was an era saturated with an inimitable air of sorrow and opportunity. With a father in dentistry and an older brother in cardiology, he had always been drawn to the healthcare field but possessed an innovative, solutions-oriented, persuasive edge



that seemed to suggest there was something more in the cards for him than his premed pursuit. Upon graduating, he went to work for American Hospice Supply in Chicago selling IV solutions, which equipped him with sales skills as well as a nuanced understanding of hospital culture. It was there that he first exercised what many would term his greatest gift—the ability to turn pain into progress. Observing the ineffective protocol for administering nutrition intravenously to sick children, he proposed a reformed procedure that resulted in the organization's most profitable product. Then, confronted with an opportunity to move to the DC area to work for a small start-up company developing injection technology, Rick promptly dropped out of graduate school and joined forces with Survival Technology Inc.

The very definition of a serial entrepreneur, Rick has started five separate companies since those early days of his career. Through an array of ups and downs saturated with risk and reward, the majority of these ventures have proven wildly successful. CodeRyte, established by Rick in 1999 after a brief year-long stint as a retiree, was among them, and was actually launched simultaneously with two other businesses. Realizing the breadth of his obligation, he hired Andy Kapit to serve as CEO of CodeRyte throughout its early years as he focused on developing EMedics, which eventually merged with Active Health and was sold to AETNA in 2004 for \$400 million. Since then, he has focused the majority of his time at CodeRyte.

Though considerably sophisticated in its details, the concept behind the company is exceedingly straightforward in its logic. It serves to fill the gap between physician services and physician billing. Billing, in the medical field, is reported through a network of codes, and because

doctors prioritize their medical obligations, they often misreport these codes when detailing their services to insurance companies. The technology employed here is not only unique, but also translatable across fields. Codes might be used, for example, to identify and correct medical mistakes or malpractice. At this point, the possibilities are endless.

In breaking Rick's evident success into its component parts, a primary element can be identified in the words of his favorite mantra: good ideas are a dime a dozen—it's the execution that makes all the difference. Believing wholeheartedly in the truth to this proverb, Rick spends several hours each week mentoring for the Network for Teaching Entrepreneurship (NFTE), an organization committed to helping youth in low-income communities unleash their creativity and entrepreneurial potential. As he would advise any young person at the brink of entering the workforce, he teaches his mentees about the importance of follow through with your intentions—an outcome best achieved through conceptualization proceeded by implementation. When struck with an idea, he advises, try to project what life would look and feel like once it is executed. Determine whether the idea will add value, meaning, and happiness to your life once it has reached fruition. Develop strategies in advance and engage others in debate. And most importantly, develop poise and a strong comfort level with public speaking so that your idea can truly be heard.

Looking at his group of high school mentees as a microcosm reflection of his workplace, one can imagine that the relationship he holds with staff is one of mutual respect and development. Considered an enabler by those who know him, he strives to lead by example in terms of energy and dedication. One finds it harder, however, to categorize him as primarily detail-oriented or more of a big-picture leader. While his innovative background accentuates his fine-slicer tendencies, his credible forward-thinking and his all-encompassing grasp of the processes at work speak to his broad perspective. It is this unique pairing of traits that he credits for his own success, and it is likewise this unique pairing of traits that he hopes to see in the younger workforce.

In addition to the strong emphasis on follow-through, the other trait most boldly

pronounced through Rick's success is the very personal and heartfelt spin he has invested in so many of his innovations. When the general population is faced with obstacles in life, we are apt to search for the best possible solution given the available options. What happens, however, if the available options aren't good enough? Well, if you're Richard Toren, you invent new ones. This has always been his philosophy, and his life's work has thus become the embodiment of that first instance where the inadequacy of intravenous nutrition spurred him to develop an entirely new product for malnourished children.

Nowhere is this ability to transform pain into progress better exemplified than in the story of his youngest daughter, who suffers from severe allergic reactions to bee stings. In the 1970s, there was no product specifically designed to be self-administered if a hypersensitive individual was stung, so Rick came up with the EpiPen and worked closely with engineers to develop the device. This combination of innovation and heart closely parallels an earlier incident in which one of his newborn children was placed in intensive care and monitored with an EKG. Rick observed that the electrodes used in this process would tear the fragile skin of the newborns, so he used a new carbon-impregnated plastic material to create a glue-free electrode that was gentle and pain-free.

Whether he is solving the acute pain of a loved one or the more generalized pain of medical coding inefficiencies, the ability to target and solve such ailments speaks to a vein of empathy and humanity that is rarely so manifest. We are all taught lessons of humility and heart at different times in our lives and by different teachers; for Rick, the teacher was his own son. When the boy finally lost a ten-year battle to brain cancer in 1990, Rick was left with unparalleled despair but also the greatest lesson anyone could communicate—one that resounds the power of courage, strength, fighting spirit, and human relationships. It was the very epitome of the big picture that so many of us tend to lose sight of, and it is an experience that touches Rick on all levels—personal, professional, and otherwise.

When talking business with Rick Toren, one might easily be intimidated by the plethora of technical knowledge and medical terminology peppering the recounts of his exploits. At once an expert salesman, healthcare administration expert, inventor, and entrepreneur, he is the very

definition of a modern Renaissance man and exhibits extraordinary expertise across these fields. His underlying philosophy, however, is elegant in its simplicity and applicable to anyone, regardless of their age or profession. When you make up your mind to take a shot at something, no amount of practice swings will get you there. It's only when you commit to the stroke and make contact with the ball that you have any chance at success. Sometimes the goal is achieved and sometimes it isn't, but as long as we are honest with ourselves and honor the rules of the game, we can draw support and inspiration from our family, friends, and mentors. So work hard, play smart, and most importantly, add heart.

For additional information about this profile, please contact:

Gordon J. Bernhardt, CPA, PFS, CFP®, AIF®  
Bernhardt Wealth Management, Inc.  
2010 Corporate Ridge, Suite 210  
McLean, Virginia 22102  
(703) 356-4380  
[www.BernhardtWealth.com](http://www.BernhardtWealth.com)

**BERNHARDT**  
**WEALTH MANAGEMENT**

A Registered Investment Advisory Firm