CEO CFO

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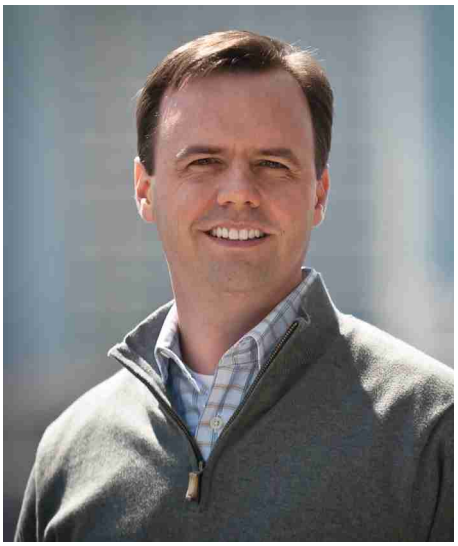
Through Social Media Campaigns, BrightWhistle Inc. is Changing the way Healthcare Providers and Patients Find Each Other

Technology
Digital Marketing
(Private)



Greg Foster
Co-Founder and CEO

BIO:
Greg Foster, Co-Founder and CEO of BrightWhistle, also serves as an Entrepreneur-in-Residence at Chrysalis Ventures.

Greg possesses a comprehensive entrepreneurial and executive background in media and technology. Most recently, he served as Partner at Noro-Moseley Partners, an Atlanta-based venture capital firm, with a concentration on early-stage digital media companies. He has been a member of the management teams of three successful start-ups: at iXL, he served as Vice President and General Manager of the Madrid, Spain office and Senior Vice President of Corporate Development for the Atlanta office. At Silverpop Systems, Greg was Vice President of Business and Corporate Development. Prior to SilverPop, he launched Southern Direct, where he served as CEO. Greg then joined Turner Broadcasting following Turner's acquisition of Southern Direct, where he served as Vice President of Corporate Development, overseeing M&A and investment opportunities for all of Turner's brands including CNN, TNT, TBS, TCM, Cartoon Network, TruTV and Adult Swim. He currently sits on the Board of Directors for The Onion, StatSheet, and PlayOn Sports and serves on the advisory board of Vertical Acuity, SolidFire and Clearleap.

Greg holds a Bachelor's Degree in Mechanical Engineering, Magna Cum Laude, from Georgia Tech and an MBA from Harvard Business School. He is a member of the board of trustees for the Georgia Tech Alumni Association, the Georgia Council on Economic Education, and the Bobby Dodd Foundation. Greg and his wife Christine, have two sons, Jack and Henry.

Company Profile:
The inspiration for BrightWhistle emerged from the passion both founders shared for the convergence of digital media and online marketing. Founders Chad Mallory and Greg Foster shared one core belief – relevant content has the power to connect businesses with their prospective customers. When combined with advanced marketing science and a scalable technology platform, the resulting solution addresses the digital marketer's most compelling challenge – how to generate and convert qualified leads for their business.

Having spent time as a VC, following a successful run as a media and marketing entrepreneur, Greg brought a wide point of view on the vast array of marketing technology companies focused on helping clients manage the digital workflow around online customer acquisition. He and his co-founder, Chad Mallory, were particularly interested in how some of these new ideas could be applied in health care with its wide array of privacy regulations. He found that most solutions only focused on leads once they had been created. He was interested in addressing the need to manage the process around generating the leads themselves.

Concurrently, while looking for other entrepreneurial opportunities following the sale of a company he founded, Chad realized that so much of the workflow around connecting prospective customers and patients with relevant content and funneling those qualified leads in the most efficient way could be automated using advanced technology.

Greg and Chad decided to join forces to create BrightWhistle, a company devoted to building a scalable, cost-effective digital marketing platform that attracts, targets and qualifies prospective patients through the use of search and social media and educational content – and helps converts them into new patients.

Interview conducted by:
Lynn Fosse, Senior Editor

CEOCFO: Mr. Foster, what is the concept at BrightWhistle?

Mr. Foster: We have established a new category around social patient acquisition. I tend to spend most of my energy describing what we do in terms of our clients and their needs. For example, we may speak with the chief marketing officer at a major hospital, who may be looking at what drives the marketing contribution to the hospital. When we have a first conversation with that individual, we will ask him/her to tell us what service lines are the most profitable. Then, among those service lines, we ask which procedures, down to the CPT code, drives the most margins for the facility. I would say it is hit or miss, as to whether the CMO has that information. However, it is an important question because it is the fundamental question that hospital marketers should be asking themselves every day. This is the question a CEO or CFO asks if they try to increase profitability. All of that is important because, at the end of the day, what we are trying to get across is the importance of ROI on their marketing budget.

Most hospital marketers struggle with the most accurate ways to quantify ROI on their traditional advertising budgets. Some common ideas are – let's put a big billboard on a main thoroughfare or let's spend a quarter of a million dollars sponsoring a sign in the outfield of the major league baseball team in town. The last number I saw was that hospital marketers only spend roughly five percent of their budget on what I would consider transparent, trackable, digital marketing. This is just a small percent of marketing dollars. We are ask these tough questions and then what we are doing is taking that set of answers and having a real conversation about the fact that they have a problem and that they are not spending enough on social marketing. However, usually the CMO cannot build enough in an ROI case study for a CFO to give them the firepower to increase marketing spend in these key digital channels. There are many layers of complexities and challenges for the healthcare marketer with respect to patient privacy and HIPAA and we address that as well, as our solution is the only one of its kind that is fully HIPAA compliant.

CEOCFO: How does BrightWhistle work?

Mr. Foster: It is very simple. What I described is one part we call "patient engagement" and I tend to think that is like defense. In other words, when somebody is searching for a particular doctor, facility, or service line and they are online looking for that information, what information about your doctors or hospital is the consumer getting? Consumer behavior, the increase in high deductable plans and the upcoming consumer-driven health plans for thirty million people are changing the face of healthcare. People are no longer tied to the old world of going to a primary care physician who then tells them to go to a specific specialist and just going without asking questions. Our system is designed on the engagement side to take all the information that hospital has on their doctors, their service clients, expertise, their M&M, and ensure that every single on ramp is at the internet, whether it be a generalized directory or specialized directory, to provide this info to potential patients. That information on a particular specialist, physician etc. is maintained with absolute precision and it is done in real time so it is very easy for the consumer to find what they need to know. In addition to that, we have an application that we provide directly to the facility, which can be installed on an iPad, and this allows the patient in the waiting room in real time to provide feedback about that particular physician, service and facility.

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What we are doing on the engagement side is really about your digital presence, your digital profile, and how people see you as they makes decisions about where to go for services. We cover the whole gamut from folks getting gall bladders removed to heart transplants. For that system, we charge based on the number of doctors in a particular facility. The other side is really the sexier side, as we have access to the Facebook system. Basically, the Facebook backend system allows you to control advertising and where it is placed. We know how systems learn, how landing pages are developed automatically, and so on. There are only about fifteen of the thirty companies in the US with this Facebook access and we are the only one of the entire group that is HIPAA compliant and focuses exclusively on healthcare. At a very basic level, what that means is now we are talking with the CMO about setting up an offensive strategy to build campaigns that are directed toward those procedures, which drive contributions to the facility. As an example, let's take orthopedics at Duke, which is big service line where we are doing multiple campaigns. You are trying to get ankle replacements, knee replacements, whatever you are trying to accomplish and drive, and determine what the demographic profile looks like for the potential patient - who are they, what their income is, where they live, how far they are going to drive, and what are their likes and dislikes. Our algorithm does not care. It is just looking at the correlations scientific between that information and using linear aggression to determine the propensity of the individuals to ultimately to raise their hand and say,

"Hey, I am interested and I want to come in and see a doctor" or "I want a knee replacement procedure". What that means, at a tactical level for the CMO, is that now they have this powerful solution where within a service line he can literally take a CPG codes and say I want to run multiple to current campaigns and surgeon social media, all driven around a sound algorithm. We are based solely on healthcare and doing some incredibly advanced things that dynamically generate pages where conversion occurs, so that we have the highest likelihood of creating a real patient.

CEOCFO: Is there still some skepticism surrounding doctors that advertise?

Mr. Foster. Marketing as a discipline in healthcare has to change. Costs in the system must become more efficient. Secondly, the reality is if both for-profit and nonprofit hospitals are going to compete, they have to employ those techniques that are more effective. Billboards and signs are not going to do it. From my perspective, the question, which is an old traditional question, is whether a cardiologist should advertise, what I would suggest and what our clients are doing is trying to more scientifically find the right folks that have a higher propensity to react and engage with their facility with their doctors. They are not trying to force that person to get a cardiology procedure that they do not need; our clients show how they can do a procedure and treat people with respect. These clients, hospitals and doctors are going to be winners. The losers are going to be the ones that keep banging their heads against a wall, spending money they should not spend on avenues and areas that do not return on their investment.

CEOCFO: Would you tell us about BrightWhistle's upcoming call center capability and how representatives will be able to provide real information to callers but not cross the line and offer medical advice?

Mr. Foster: We have been working now for several months with a couple of call centers, both of which are HIPAA compliant and both of which have allowed us to train them on our process. At the very least, what we want to provide a level of convenience that every other industry provides. For example, often times, potential bariatric patients are the people at 2:00 in the morning watching an infomercial in between Lord of the Rings, and eating a bag of Doritos with a Mountain Dew next to them. They hit the wall and at some point say to themselves "I am done, I have to do something about my weight, and I have to go see a bariatric specialist". The potential patient does not care that it is two in the morning; just like somebody who may decide they want to go to London for the Olympics at two in morning and can book a flight, the patient cares that at the point of decision information is available. What we are doing with our call center process is employing something that is insanely simple - just providing access and taking some of the back-office administrative work for healthcare providers. A call center intermediary can effectively call the person back, remind them of the appointment, make sure their forms are filled out, etc. These tasks are hugely helpful to the hospitals. We may end up at some point in the future building our own or buying one of those companies. We have had good luck integrating with a couple of high-end centers that know what they are doing.

CEOCFO: When you are talking with a hospital or medical practice, what is the biggest obstacle in understanding your effectiveness? What do you tell your potential client that makes it an "aha" moment?

Mr. Foster: I would say that one of the stumbling issues is the fundamental difference between acquisition marketing and retention marketing. Lot of companies out there applying older models that have spent their focus on database mining, retention, and remarketing efforts. When you are talking about acquisition marketing, especially in a digital context and you are looking at data, correlations, algorithms, testing and things of that nature which I would consider more advanced marketing automation, the typical hospital marketer doesn't have a ton of experience in these areas. The stumbling block there is a scientific evangelism that we have to employ. We offer to teach you, the health facility marketer, how this works. Added to that complexity is the fact that we are not just going to do it in search marketing, we are going to do it in social media marketing, which is an asymmetric communication vehicle where we are trying to build vibrancy among patients who can influence one another. We take that sponsored story and push that out to people. That is more the teaching the fundamentals of some of those new fangled things that have really just come on line in the last couple of years with the advent of Facebook in particular. As an example, a campaign is going created to drive more hernia operations for the general surgery practice at Piedmont. That is going to cost this much money over some period of time and we are going to show you a report, give you access to the system, and you will see a report on how many people clicked on that ad, how many converted, how many showed up for their appointment. To me it is as simple as that. The biggest issue now in social media marketing is that there is so much hype and sexiness that often times the company selling social media marketing skips over the let-me-prove-it-works side, which does not work in healthcare. Healthcare folks are all about accountability, so you cannot walk in and say, "Come on give me some money and let me do some cool campaigns for you"; that does not work. The report has to show ROI and we show ROI based on net contribution. That to me is the ROI calculation and we endeavor to always get that number in the six, seven, eight to one ROI ratio, which is much higher than anything else they see.

CEOCFO: How is business?

Mr. Foster: We are doing great. We are an early-stage business and we just raised this latest round of funding, so we do not really talk about what our basic revenue numbers are but we can talk about growth. At the end of this year, we will be around five times as much revenue as last year. Last year we had hundreds of thousands in revenue. Our run rate of recurring revenue is going to be about six to seven times as much as it was last year. We are growing rapidly

across the board; we are not just targeting providers but payers as well. The payers have a big challenge in front of them, 30 million people are about to come onto the system because of healthcare forum. In the past, payers for the most part have spent most their dollars marketing to businesses, now they are going to have to market to consumers. For how you get that, it gets back to that notion of getting an aggressive insurance model trying to get the best of that group. The last thing I would say in terms of marketing is meaningful use. TARP 2 had a whole chunk of money that was set aside to provide incentive to doctors and hospitals to get electronic medical records installed in their hospitals. Literally, if you and I went out, established an orthopedic practice, and put an EMR in our office, we would just get a government check. That is stage 1 meaningful use. Stage II meaningful use, which is now becoming important, is about how many of your patients are logging in and actively using the system. What we say in the marketplace is if you are trying to get a discipline and a behavior out of a perspective patient or existing patient, trying to pull them through the EMR, what better way to do that than to use a digital channel to feed them into a digital construct.

You can look at my blog on our website. I became a cancer patient. The very first interaction was that exact path, information that I got online and adoption of who I was going to go see. Then, the first thing that I get is here is your MRN and here is your EMR. Log into MyMDAnderson and you will see all of your appointments, prescriptions and secure messaging. Everything is in that one place, so I contributed in doing that. The moment I logged in and created an account, I contributed to their ability to get Stage 2 meaningful use dollars. That is a whole other ROI. It has nothing to do with patient revenue or contribution. It is just pure money. That is why I am so bullish about what we do. We are going to hit it from both ends. We can sit with the CFO and say, "You get your higher value patients to drive higher net contribution revenue in places that you want to build up. In addition, we are going to get you Stage 2 meaningful use dollars that you would not otherwise have by using the digital track to do it.
