CEO CFO

MEDXT

All-in-One, Cloud-Based RIS/PACS Solution

About MedXT

MedXT is the easiest way to manage medical images online. MedXT is an all-in-one RIS/PACS solution. Headquartered in San Francisco, MedXT is developed by a team with a combination of healthcare and consumer technology experience. Our team includes alumni of Facebook, Alliance Imaging, Microsoft, and YCombinator.

Interview conducted by: Lynn Fosse, Senior Editor, CEOCFO Magazine

Cody Ebberson - CEO

CEOCFO: *Mr. Ebberson, what is the concept at MedXT?*

Mr. Ebberson: MedXT is an all in one RIS PACS, which is a technical term for our industry. It stands for "radiology information system" and "picture archiving communication system". These are tools of the trade for anyone involved with medical imaging such as radiologists and cardiologists where you can manage all of your medical images like x-rays, CAT scans, MRIs etc. We do it all in the cloud, so it is a super easy way to do anything with medical imaging right there in the cloud.

CEOCFO: *How well has the cloud been adopted in this area?*

Mr. Ebberson: We are still at the very beginning stages of it. Less than ten percent of media imaging is in the cloud today. Most people are still using either very antiquated technology such as printing to film, or legacy solutions that are designed to work right next to the scanning device, so it would be something that either works when you are sitting right next to the scanner or on the local area network at the hospital.

CEOCFO: *Do you find when you are able to present the offering and the benefits, being in the cloud becomes less important?*

Mr. Ebberson: Certain organizations can benefit from it more than others. In our modern world, there are more distributed teams or groups who are serving a larger area or more facilities. They have this problem of how to manage that process if I am an individual physician that serves five different hospitals or facilities, how can I somehow view those images all at the same time in a seamless, all in one experience. With antiquated technology like printing the film or legacy packages, it is a very challenging exercise. Our system makes that really easy. There are some people who have hesitations about moving medical data into the cloud. There are some concerns about patient data being exposed to the cloud, but I think the advantages at this point dramatically outweigh the potential risks.

CEOCFO: *Would you explain what you are offering and how the service works?*

Mr. Ebberson: You sign up and pay for what you use. You can just go to our website at www.medxt.com and sign up for a free account just to try it out. From that point, after your first 50 studies, it is a pay as you go model, where there is a flat rate on a per exam basis. There are no support costs, ongoing commitments or anything like that. You can just upload exams and then you have it all in a cloud. From that point, you have the complete workflow experience. You can do image capturing from devices, you can assign to radiologists. The radiologist can make their diagnostic interpretation with our FDA cleared, medical image viewer, they can write reports using voice citation, speech recognition templates and macros, and those reports can be delivered to whatever audience by fax or HL7, which is the technical language for communication between hospital systems. That entire workflow is available in this one solution.

CEOCFO: *How are you reaching out to potential customers?*
Mr. Ebberson: In this point in time, all of our growth has been from word of mouth. We are just now at the point where we are doing outbound marketing and outbound sales, but all of existing customers and the hundreds of facilities using the service has been from word of mouth. We are very proud of that. I think it speaks to the distributed nature of healthcare. For a long time, people have thought of healthcare as going to their one doctor and that one person is going to take care of everything. Healthcare is now a team sport. You have specialists and different people in different facilities who are going to take care of different parts of your health. That patchwork model requires collaborative tools. MedXT is the best tool for distributed medical collaboration.

CEOCFO: *Why is this time for you to make the push and start outreach?*
Mr. Ebberson: Several things that have changed. One is we received our FDA approval last year, so that is one that opens up many doors. We now have a loyal customer base that is using the product, so it is powering medical facilities that are powering nighttime ER facilities. Therefore, we now have the notches in our belts where we feel really proud of your products and feel confident that this can make peoples' lives easier and it is going to solve many problems. Now it is time to go out and capture that. There are a couple government programs right now that are called "Meaningful Use" where the government is incentivizing healthcare practitioners to adopt digital medical solutions. That is another big part of this. Meaningful Use Stage One happened a couple years ago and that was a big driver of the digital EMR space. Now that we are at the beginning of Stage Two and Stage Three is just around the corner, medical imaging is becoming a bigger part of that and we hope to ride that wave as well.

> **"Healthcare is now a team sport. You have specialists and different people in different facilities who are going to take care of different parts of your health. That patchwork model requires collaborative tools. MedXT is the best tool for distributed medical collaboration."- Cody Ebberson**

CEOCFO: *What have you learned since your product available? What have you changed or tweaked as the product has been in use?*
Mr. Ebberson: From a business standpoint, I think it is all about making it as easy as possible for new people to come onboard. I think that especially in something like healthcare, which is almost a little famous for being slow moving. You want to get all of the friction out of the picture that you possibly can, just because any time there is a little hang-up or something does not quite work right, that is just an easy excuse for the sale to end right there. We have really worked hard to make it as easy and seamless as possible. Two would be that we have placed a big emphasis on interoperability and connectivity with other systems. I think this gets back to the roots of healthcare where everything was kind of siloed. You would have your one facility and you would not necessarily need to interact with anyone outside of your facility, but that has changed a great deal. When we make it really easy for our system to connect with other systems, that is a big reason and motivation for people to hop on board. We have done a bunch of those partnerships with other medical record systems such as Practice Fusion or Drchrono or Athena Health, where you can seamlessly import and export data between their systems, which is very popular with physicians and that has accelerated our rate of adoption.

CEOCFO: *Everyone everywhere says their system is user friendly. How do ensure that it is easy, intuitive and something that people are going to readily use?*
Mr. Ebberson: Our team primarily comes from a consumer tech background. We have engineers from Microsoft, Facebook and Google, and they have track record for doing extensive usability testing and thinking about how to design a product that can reach millions or more of users. I think that mentality is severely lacking in enterprise applications and especially healthcare applications. We are trying to bring those best practices of usability testing, AB testing, bringing users in are shadowing them and watching how they use a product, taking copious notes, giving users exercises like how many clicks does it actually take to achieve this objective. That is table stakes for a company like Facebook or Google but I do not think that many people in healthcare are even thinking about them, and we are trying to bring those best practices to healthcare.

CEOCFO: *How do you decide where and how to place your efforts?*
Mr. Ebberson: That is a good question. I think many times when people think of healthcare, they immediately jump to hospitals, and hospitals are really about 50% of the overall healthcare market. There is this huge, long tail of family practices, smaller clinic experiences and physicians that have been severely underserved. We have been making a big push into that underserved market. We of course have hospitals that are using our systems and we love hospital customers, but I think by being a little bit opportunistic about going to this underserved market. That has been a big advantage to us. I think also looking at customers segments, where this message of connectivity and interoperability or easy access remotely on your device, where that message really resonates is In distributed teams. Just trying to find that product market fit of where our product is really going to sing to those customers.

CEOCFO: *Are you funded for the steps?*
Mr. Ebberson: We went through one of the Silicon Valley incubator programs called Y combinatory, which is Silicon Valley's premiere incubator. We received some funding through that and then we raised a small seed round of half of a million dollars. One of the nice things about healthcare is there is a definite willingness to pay, and there's an expectation in healthcare enterprise customers that they will pay for these products. We have achieved profitability. We are not fundraising at this point in time but we do have the capital to bootstrap through the foreseeable future.

CEOCFO: *How do you break through the noise when you are talking to a potential customer with so much going on and everyone in healthcare being bombarded from a million different directions?*
Mr. Ebberson: There are tons of messages that just do not work including most traditional forms of advertising. Most potential buyers have ad blindness to that traditional advertising at this point and time. Announcing partnerships has been an effective tactic that really resonates with people because they understand that there are now two companies that have come together and there is more substance to that than just a simple advertisement. I also think that case studies or actually going through end-to-end with what a successful deployment has looked like, is also a very effective storytelling mechanism that can get into the details that people want to hear about how this actually works. Do not give me some kind of flashy screen shots or video presentation, give me some meat and potatoes about what this is actually do and how this is going to make my life easier.

CEOCFO: *Put it together for our readers. Why MedXT?*
Mr. Ebberson: I think MedXT brings the right combination of Silicon Valley style, cloud expertise to the healthcare market and we are bringing best practices. It is particular to the medical imaging, which has stagnated a little bit in recent years, and just a ton of innovation in a very important space.

BIO: Cody Ebberson is the Founder and CEO of MedXT, a cloud-based medical imaging platform. He has held leadership positions at Alliance Healthcare, 24/7 Radiology, Numenta, and Microsoft. Specialties include healthcare technology, business operations, business strategy, product development, and software architecture. Mr. Ebberson earned a BS in Computer Science from the University of Nebraska and an MBA from Harvard Business School.

MedXT
55 Page St #824
San Francisco, CA 94107
415-900-9122
www.medxt.com