CEOCFO Magazine

Consultants and Solutions for Healthcare IT Companies Developing Software and Mobile Applications

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Interview conducted by:
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CEOCFO: *Mr. Karabinos, according to your website, PointClear is solving digital health's biggest challenges. How are you doing this?*

Mr. Karabinos: PointClear helps its clients who are primarily healthcare IT companies with innovating their products that are typically targeted for improving the businesses in the provider, payer, pharma and device segments of healthcare. We are positioned to help these clients develop new products with our strategy services, our user experience research and design expertise, and our experience developing and launching new products in the marketplace.

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CEOCFO: *Is it unusual for a company that is selling a technology product to go outside for development?*
Mr. Karabinos: No it is not unusual at all. The reasons why they do are varied depending upon which segment of the healthcare industry that we are talking about. Many times it is because they do not have the R&D capacity within their organization to be able to develop new products. Sometimes it is a capability issue and sometimes it is a capacity issue.

CEOCFO: *Would you give us an example of a somewhat typical engagement?*
Mr. Karabinos: We have helped companies like Walgreens' TakeCare Health business unit, which is a clinic business, for years developing their mobile and web applications. We helped them develop their applications to engage consumers and to assist the clinic doctors and nurses in the performance of their work. We are currently helping a startup who is trying to solve the problem of wrong site surgery in the hospital industry. It is not a well-known problem because it is not a transparent issue. Yet it is financially a big problem and from a patient safety standpoint it is a huge problem. We like working with early-stage companies that are trying to solve complex problems.

CEOCFO: *How do you keep things user-friendly particularly when they are complicated and there are compliance issues?*
Mr. Karabinos: Making things simple is hard. The way that we do it is through solid user research to understand what people really want using software and technology to make their lives better. You then design to that with the intent to be

as simple as possible. It is not easy to do but when you hit the mark it has a tremendous impact and that is what we strive to do. You mentioned portals for doctors' offices, the thing where most people are interested today is improving that experience for a couple of reasons; one is to proactively engage the consumer or patient to collaborate and work with the hospital or providers' office to improve workflow between the patient and the provider organization. The same is true with health plans in the insurance industry. They have a huge problem with digital health solutions and it is the same fundamental issue where the technologies and applications that are in portals and things of that nature that are being used today are not very friendly. They are usually designed by engineers and not by designers. What we are trying to do is change that dynamic by acquiring a New York based design and mobile app agency several years ago that specialized in designing mobile applications for the non-healthcare industry like the consumer industry and the people that were developing games for Disney and companies like that. We wanted to bring that skill set into healthcare to make those user experiences special as opposed to frustrating and laborious.

CEOCFO: *You strategize, design, build and manage. Do you typically do that whole range for all of your clients or might someone come to you and just want a component of what you offer?*
Mr. Karabinos: I would say a third of our clients actually engage us in all four of those sets of services. We do discreet design work for a lot of large health IT companies like McKesson and Change Health. But also others where they have a lot of software products in the marketplace but it is long in the tooth and has been designed years ago and they asked us to come in and help them re-factor the usability and the design of those applications. We have clients that ask us to help them with strategy around the product whether it is market position strategy or product strategy roadmaps and things of that nature. Sometimes we have clients that ask us just to design and build and they do not need strategy support or to help them manage the application after the fact. We just help them build the application once they already developed their roadmap. We have learned in the last few years especially with the maturation of the mobile app market. The type of mobile apps that we are designing and building for our clients today are complex and a many of them are supporting complex work flow including chronic disease management. These apps can run from $500 thousand to $1 million or more if you are doing both android and IOS. They learned that after they build the app and it becomes successful in the marketplace they haven't thought through what it takes to manage the apps on an ongoing basis. Out of necessity they asked us to support them with managing these apps which we have defined a specific service around doing that. We often end up signing multi-year contracts to support folks with these apps.

CEOCFO: *How do you help ease implementation of something new or when it is a replacement? How do allay the fears inherent with any change?*
Mr. Karabinos: From the technology standpoint, we tend not to use technologies that have not proved themselves in the marketplace for a period of time. We do evolve and we do use new technologies, we just make sure that much of the risk is taken out of that new technology by others as we move forward with them. We also have methodology in process by which we develop the software such that by the time it is ready to launch and be implemented, it has been through the rigors to ensure that the vast majority of the bugs are out of it, that it is working to everyone's expectations so in the process of developing software it is important that you get it right and that you are successful with that. Lastly, when it comes to implementing a new software product or application it has to successful address an unmet need. In other words, there are not many versions of it out in the marketplace and you need to go through the process testing it out with alpha and beta to make sure it's market ready.

CEOCFO: *What is the competitive landscape?*
Mr. Karabinos: We are one of a small handful of companies that look like us in North America. We are proud to be in that niche with folks that specialize in digital solutions for the healthcare industry. I would say they are direct competitors but the market is so big that we don't run into each other all that much. We do have adjacent competitors, those companies that are mobile app developers in a garage that have hung up a shingle and they are selling their services. We also run into substantial mobile app companies out in the marketplace. When I say substantial, what I mean they might have 100 to 200 employees and they are good at what they do. We run across pure strategy firms and design thinking firms that we compete with on occasion as well. I would call those not direct competitors but adjacent competitors. There is always the internal option that clients are trying to deal with, of whether they should develop this internally or should the partner with someone outside of the company.

CEOCFO: *How do you reach out for new clients?*
Mr. Karabinos: We reach out through inbound and outbound strategies. We have a sales team that works with our subject matter experts and our sales support team. We have digital marketing activities driving inbound leads. We are about developing a brand that people trust and people understand and will call us when they need us. We are also heavily invested in attending conferences and association events. We sponsor those on occasion and attend them fairly heavily.

We are involved in speaking and being on panels around the subjects that are important to us and to our clients and the healthcare industry in general. It is a combination of all of those things that keep our pipeline full. The way that we win is primarily through establishing a cultural fit with our clients so they understand our most important cultural traits being transparent, integrity, ethics and credibility. We look for clients that value those same characteristics and usually when you make that match you have a long-term partner.

CEOCFO: *PointClear Solutions recently celebrated your ten-year anniversary. Do potential customers appreciate the longevity?*
Mr. Karabinos: It depends on who that customer is. If it is a large corporation in the healthcare industry and they are picking a partner to help them develop something special and unique, it helps to do business with an established firm as opposed to a firm that is one or two years old. If it is a small company, a venture backed CEO that has just closed the first $5 to $10 million in funding, it would prefer to do business with a company that is not a one hundred year-old company. I call it business-to-business dissonance. Smaller companies are dynamic and move quickly. Big companies are slow and everybody knows this. When you have that speed dissonance between two firms you have issues. The greater the dissonance the more difficult it is for the two companies to work together. What you try to achieve is working with companies near your size and clearly understand value proposition. I would say it does matter. An interesting fact that I recently discovered is that a company that is in business for ten years, the percentage is less than one half of a percentage of companies make it that far. This is in the US. That is a phenomenal statistic. Companies that make it to $10 million in revenue, is about 0.3%. That says something when customers discover that we have been in the business for ten years and we know what we are doing, we scaled up and we have a nice inventory of clients that we have worked with and we have proven that can deliver on our value to the industry.

CEOCFO: *How do you spend your time as CEO?*
Mr. Karabinos: I am constantly looking down the road. We have aggressive growth goals at PointClear and my job is to figure out how to achieve those goals. We have built leadership team that is successful and effective at executing on the strategic vision of the company. My job is to make sure that the next wave of strategic initiatives designed and developed to fuel the company going forward and making sure that we are doing the right thing and making sure we do not become complacent in our success. Having said that, every CEO spends 10% to 20% of their time cleaning up messes, which is par for the course.