

## Health Connective Show #11 – Scott Nelson

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Michael: Welcome to the Health Connect show. I'm your host, Michael Roberts. Today we're talking to Scott Nelson. Scott is the founder of Medsider and co-founder of FastWave Medical. A lot of Scott's work focuses on sharing insights with early stage medical device companies and MedTech companies, and then showing them how they can leverage lessons from successful MedTech entrepreneurs for their own businesses. Scott, welcome to the show. Thanks so much.

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Scott: Yeah, thanks for having me on, Michael. Really looking forward to an engaging discussion.

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Michael: Yeah, absolutely. Absolutely. So one of the things that as we were preparing for the show, we saw that Med Sider does really well is create playbooks for startup MedTech companies that compile advice on how to approach different business problems and challenges. One of the things that we found in there was about achieving that right product market fit, which obviously your guests have experiences with and obviously you have experience with. So definitely wanted to kind of pick your brain on how that topic comes up, because it keeps coming up as other companies are trying to figure this out and trying to go to market. So it's an obvious question, but people are still doing it wrong. So this is still worth asking, why is it so important for MedTech companies to find that product market fit early on?

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Scott: It's a bit of a kind of to your point, Michael, like an obvious kind of topic to discuss. But I think some people sort of tend to even still gloss over it. Right. But I think it's especially important to try to answer as early as possible in our space in MedTech, particularly because it's such a long way to get to eventual commercialization. And there's so many inflection points and milestones along that way that you really need to ensure that you've got what I kind of call a product market fit signals early on and continuously right throughout that development and kind of clinical pathway to ensure that, like when it comes time to launch, there is going to be traction, right?

Whatever solution you're building, whatever device you're working on, etc.. There's going to be some stickiness, right? It's going to resonate with your end users. So I think generally speaking,

product market fit. In fact, when you look at kind of the three pillars product market team, I'm just a funnel. You know, people could argue this number in different ways. I'm kind of a fundamental believer that, uh, that market is most important because of just the significant amount of resources, time and capital that's typically thrown at a device project looking for those signals and finding them as early as possible to prevent unneeded or sort of throwing too many, too many dollars and too much time, really, which arguably is more important at a particular project is really, really, really, really important.

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Michael: So you're talking about and this is one of the things we wanted to ask about. So product or market and you're leaning more heavily into market. So let's say you pick the market you want to go after, you're looking at them. And then just trying to come up with a product idea there. Is that how you like to approach it? Because I know we've definitely come across other products where and here's a couple of brilliant engineers working on something and they came up with this cool thing. Wouldn't it be cool if we could use it somewhere? And then they struggle to find any kind of place. So it definitely interesting to hear how you think about that.

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Scott: I think that's where a lot of us, especially those that are biased more towards, um, you know, the world that the entrepreneurial ecosystem is, is it starts there, right? It's like you see a really cool idea. Or maybe you can't sleep one night because you constantly think about this one thing that needs that needs to be built or needs to be created. And it's so easy to get stuck on that idea, I think for all of us, right? Especially if it's our own, our own kind of, uh, cool widget or solution that we thought of. But a huge mistake that I think all of us need to consider early on is especially in MedTech, when so many of these projects are going to require additional capital, right? Whether it's venture capital, whether it's even early on, money from angels and high net worth individuals is this idea fundable? Can it be backed by outside capital and really kind of what ladders into that or what ladders into sort of answering that question is what is the market like? Right.

This could be an amazing idea that solves a very real need, right? That should be addressed. But there's kind of the cold reality in MedTech because of kind of the regulatory burden. The clinical burden is you're going to need likely going to need capital. And so what you want to avoid is a scenario where you go all in on an idea and work on it for two years, maybe even through a lot of your own money at it. And then at the end of the day, it's just not something that's going to be supported by outside, you know, investors. And in that scenario, you've got very limited options, right?

You could continue to try to find money, and that's ultimately where you spend all your time, is just trying to find money to support the project, or you shut it down and pursue a different a different concept. So I think trying to answer that key question up front is this, you know, can this be fundable, right? Is this a is this an idea that can be supported by outside capital? And again, one of the ways that one of the easy answers to that question is how big is the market, right. Is this a massive market both kind of at a TAM level and at a SAM level.

And, you know, even if you have a really phenomenal team working on an awesome product that serves a very small market, it's going to be a tough road, a tough road to haul. Right? And, you know, kind of vice versa. If you have an awesome product, you know, and a subpar team, but the market's still small. You know, you're kind of end up in the same scenario where if you if you got maybe the semblance of a product, right, and the semblance of a team, but it's a massive market, you know, and your thing, whatever you're working on, even though it's not. Totally refined, but it solves a real painkiller, right? A painkiller type of need. That's those are the types of projects early on that we should be leaning into, right. Massive market. And there's like a real, real like pain here that isn't resolved or isn't currently being served.

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Michael: So I want to dig into your experience a little bit on this, because I know that you you've got the podcast that you do, you've got med cider and you're talking to a lot of other founders that are in this kind of place. You've found it now co-founded a couple of different companies. So there's definitely the experience that you have there, I guess. Are you doing much like advising to other startups, like how does that kind of enter in day to day when you're just kind of talking to shop to other people in the same situation that you're in?

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Scott: I'm involved with a couple other startups besides FastWave, but not none of which require a significant amount of time. I sit on the boards of a few a few different companies, but, you know, FastWave is the is my primary focus has been for, you know, the better part of three years now. And as you mentioned, I have the kind of unique opportunity of having a podcast that's been around for quite some time, and I consider myself a bit of an OG in the podcasting world, where I started back in, I think 2009, 2010 time frame. And, you know, we're almost 15 years in now.

You know, the grays in my sideburns are kind of coming through. But I do have a unique opportunity to kind of talk to a lot of people. And that's where I, you know, shows like this, I primarily kind of focus on interviewing, you know, founders and CEOs of, you know, seed to series, see startups. You know, that's kind of my, my focus. Anyway. Uh, not that I exclude, you know, others that maybe don't fit that fit that particular kind of criteria. But it does give me a

unique opportunity to talk a lot, talk with a lot of people, right, that are working on their ventures, their startups at various stages. And so it's definitely selfishly been very beneficial for me from not only a and that networking perspective. Also, it's an amazing learning opportunity as well.

And so a lot of my thinking right around this particular topic, product market fit is rooted in and not necessarily reading a really good book or reading a, you know, a piece from, you know, HBR or something like that. It's actually talking to people who are building. Right, which I, I'm much more biased towards, right. People that are in the trenches building, in most cases, going to have a lot more tangible, kind of real, real valuable feedback to offer up versus, you know, reading a white paper somewhere.

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Michael: You've done this podcast for 15 years now. Looking back, how many of them made it? How many of them are still doing their thing? How many of them have pivoted successfully? Like, what is that story kind of look like in terms of like all these people you are getting to meet? Are you seeing them go on to bigger and better things, or are you seeing them miss some things that they should have, like considered earlier on or like how does that how's that playing out?

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Scott: That's a good question. I never really tried to quantify that per se. And really, you know, even to kind of go back into the early days of med Sider the my focus hasn't always been on having discussions with kind of founders and CEOs of the, you know, Seed Creek, uh, startups. I would say probably with the past handful of years, I've come to narrowed in on that, on that focus, uh, specifically. But because a lot of the founders and CEOs that I talked to have already raised a fair amount of capital, I think they that does definitely position them a little bit better, right, than someone who's, you know, just got out of the starting blocks and maybe has, uh, has, you know, been awarded maybe some non-diluted funding through a grant or maybe raised some pre-seed capital.

Not to say that those, those folks can't make it, but they're definitely in the early stages. And once you get some investment support from, you know, institutional capital, it definitely positions you better. But you're never out of the weeds. And what's amazing, Michael, and that's always sort of stood out to me, is that I'll have serial entrepreneurs on. Right, that I've had a really significant exit. Right. Maybe a couple under their belt. And it's like, wow, I mean, they've made it right. Whatever venture they're going to work on next, easily fundable, they'll get all the best, you know, VCs behind them, etc. and that's not the case whatsoever.

In fact, I recently had Steve Anderson on program. I haven't published it yet. And maybe by this time, that time this is live, it'll be on the site. But he's the founder of um, he's an electrophysiologist by background. He's the founder of pulse, which, uh, Boston Scientific recently received approval from FDA. And it's kind of a big thing in the cardiovascular space. And, you know, he's the founder of that company. And we were talking about, well, you know, that's a fair pulse, is getting a ton of buzz. Now he's on to his next venture. Oh, just must be super easy, right, to raise capital. And he just he just wrapped up I think a series A I believe don't quote me on that. It might have been a seed round I can't remember exactly. And he you know, his comment was maybe slightly maybe slightly easier. Right.

But no, I mean, he's still having to grind and pitch a lot of people and convince a lot of stakeholders that this is the next big thing that they should get behind it. And so that process of, you know, raising capital and convincing stakeholders, it never ends. Right. And it's something that I'm a big believer in this acronym have always be capitalizing. Right? I'll steal it from a buddy of mine, Sean Morris, who's a kind of a serial entrepreneur. But it's very true for any, any kind of, you know, either founder, CEO or really kind of leadership team in a startup is that everyone sort of always needs to be having that mindset. Right. Keeping capital money in the bank is probably, you know, thing number one, uh, in order to transition your startup from kind of default dead to default alive, that's one of the things that stood out to me, you know, over the years, you know, talking to a lot of. A lot of really, really experienced folks that, you know, have a lot more, a lot more years and wisdom kind of under their under their belt.

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Michael: That's an awesome training course that you're getting sort of day and day out. And let's talk about FastWave. I mean, this is this isn't just theory. This is very real life. And you're getting a chance to practice it. So kind of walk us through, I guess, like how you looked at market fit when it came to fast way.

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Scott: It's a really a question. I think it ties into kind of what we were chatting about earlier is really a focus on market. So circa you know, mid 2020 kind of rewinding the clock, you know, three and a half years ago or so as a founding team, we were looking at a wide variety of markets. Right. Or to potential projects to, to work on. And one of them that kept surfacing was intravascular lithotripsy or IVL. And it's this is a relatively new kind of category within the cardiovascular space. It was created by really the only incumbent in the market, which is a company called Shockwave Medical. And they were publicly traded at the time back in kind of mid-2020, but they really hadn't taken off yet.

And we are kind of following what they had been working on as a company and thought had this kind of fundamental belief that that technology would like the utilization of that technology, I should say, would fundamentally increase over time that that Sam, which is, you know, the Tam in the cardiovascular space for cardiovascular, for, you know, coronary disease is quite, quite large. But the Sam for IVL would, would increase. And then secondarily, we were tracking the progress of a company called CSR or Cardiovascular Systems, which recently exited to Abbott maybe a year ago or so. And they had initiated something called an enterprise review process to invalidate shock waves, key patents. And so we're kind of been tracking that over the, over the, over a couple of years.

And when the USPTO overwhelmingly ruled in favor of CSI in mid-2020, we thought that was kind of the why now moment, which I think most startups have is like some sort of inflection point, some sort of, uh, time period where it's like, we should double down on this. We should really kind of pour more of our own time and resources at this particular project. And that was it for us. Right. So it's kind of a combination of two things, but really the overall market. Right. And the belief that IVL would the utilization of IVL would continue to increase. That was sort of the underlying kind of belief that we had. And, you know, it's turned out to be quite true. But I think what's most important, even in our case, is that we weren't necessarily married to it. Right?

We began to kind of slowly prototype. And then when shockwave received their PMA, their coronary PMA, in early 21, that's when the company really started taking it off. Right? But if they hadn't, right, we may have thought a little bit differently about the project and how we were approaching it. So, you know, the main lesson there is got to be you've got to be nimble and flexible and again, not married to either a particular idea or even a particular market, right. Because if things change, which they often do, you've got to be willing to kind of let things go and pivot if necessary with.

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Michael: Fast with medical from the start where you already thinking like, hey, we're definitely going to be in the cardiovascular space. And so you had some like medical people already on staff or like kind of plotting with you that were thinking through like, this is how we're going to tackle cardiovascular, or was it sort of this like wide open book of like we can kind of pick any direction and then we'll, we'll figure out how to bring in the right doctor and the right medical staff as we get further along.

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Scott: Broadly speaking, we're like as kind of a founding group, because it's certainly not just not just me, but kind of our founding team that that was involved with FastWave. Most of our

domain expertise is within the cardiovascular space, but that space is quite, quite large, right? It includes structural heart. You could kind of, you know, potentially even throw like neurovascular kind of in that broader kind of vascular kind of bucket, if you will. You've got peripheral vascular, you know, coronary applications. So it's quite broad. So we were looking at a number of different projects kind of in that early to mid-2020 timeframe.

And actually one other company that's venture supported as well is in the is in the venous space. That was a project that we not necessarily deprioritized per se, but, you know, sort of. Right, kind of deprioritized because of this kind of underlying belief in the in the momentum around IVF that we had at the time, it's important to consider or like that idea of being flexible, right, and not being married to any, any particular space.

And another category that we're looking at quite hard is thrombectomy. That was at that time, at that point in time, there's a lot of startups working on thrombectomy devices. There's still there still is. As an example, but decided not to pursue that with more rigor and prioritized IVL. Right. Because of, again, the underlying belief that that the utilization of the therapy would increase. And then again, there wasn't a lot of other startups at the time that we knew of that were working on IVL. There's very few. And so that also presented kind of a unique opportunity for us to if we could make progress and get the company funded. We thought there, you know, there would be a good kind of shot on goal here.

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Michael: Very nice, very nice. So this kind of segue is nice because, um, we're kind of talking about sort of like how you're feeling about things and sort of what you're seeing the market do and sort of like, what are these opportunities, at what point and how extensively can data really drive your decision making as you're trying to get down that product development pathway, not just picking the product, but like, and this is how we're going to kind of pursue this pathway.

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Scott: I have a love/hate relationship with data. I definitely don't think I mean, you think you need you need to definitely quantify, you know, some decisions. There's no doubt whether it's sizing a market, right. Whether it's substantiating. A value on your startup during a fundraise, whether it's looking at even clinical efficacy around a particular therapy, there's no doubt, right?

I mean, you're going to you want to lean on data, but I think the mistake that I've made, maybe that other others have made in the past, is relying on it too much. I recall a conversation I had with, um, Doctor Christian Ramdev, the founder and CEO of Temple Health, and they're making great strides. They make great strides in Europe. And I think they're now in the process of coming to the US with their, um, their technology. And one of the things that he mentioned that

really stood out to me is that and this is a very, very intellectual, very, very thoughtful, uh, kind of entrepreneur. And he was like, I early on when they were in the process of gathering a lot of data, right? Whether it's, you know, qualitative kind of VOC or just kind of quantifiable data from a market analysis, he said. You can make the mistake of just, you know, going to far and wide and not being able to kind of filter down and remove the noise.

And I think that really stood out to me, because that's where we can sometimes let data over kind of overrule kind of natural intuition. Right. And sort of gut feeling based on what we know and what we hear and see kind of being in the trenches. And so kind of just like most things, I think there needs to be a balance, but that would be the one kind of thing that I'd like to kind of emphasize is, yes, you need to quantify certain things, but don't let that be the only single driver. Right, for all of your decision making.

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Michael: It's interesting. Like, uh, right before we hit record today, like we were talking through, I was trying some different projects where I was trying some different messaging, testing and all this kind of stuff and just saw things just nosedive and did not hit the way that I wanted to and all of that kind of stuff. What was interesting about that process, and I think, and I've heard this sort of like from a sort of like data analysis process on a lot of different levels now, is there were AI tools to summarize all the feedback that I got and gave me, like some like 4 or 5 kind of key bullet points. You're talking about this sort of like overwhelm that, that we can fall into. Because I had this massive spreadsheet and I was trying to go through line by line and, and, you know, and you're too close to the project at the first anyway.

So you're kind of like a little emotional about how you're perceiving the data and then just trying to get down to like, okay, what do I do with all this? Like, how do I actually take something out of this and move forward? So yeah, it's definitely, definitely an issue. Let's switch gears a little bit. So you know, we're talking about like you're getting some information back from your customers. Sometimes that information isn't always flattering. It's not always what you hope it will be. And very popular in the startup world is this concept of minimal viable product, right. Like, hey, we'll just get it out there, let's move fast, let's break things, let's, you know, all those fun like startup phrases. But this is medical. It's not the same thing. So, you know, how does that affect your market positioning if you do kind of take that minimal approach?

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Scott: Just real quick as you were kind of sort of adding some context right, to this data topic right before we jump to MVP, because I think it's very I want to I want to definitely touch on this MVP topic because I think it's super relevant. And most people I think a lot of people in



MedTech don't think it's applicable in it. But I do think it is actually one of the recent conversations I had with Kin Mariage. I believe I I'm going to mispronounce his last name, but he's the CEO of Synaptics. Really, really impressive CEO. And we were talking about this, this idea of data largely around kind of the context of market data. And this is, you know, I think he spent most of his career in, you know, kind of on both sides of the table as an investor or on the BD side at strategic. And, you know, we were kind of riffing on this topic of like, you allocate a lot of budget towards this really impressive market analysis that's substantiated by really phenomenal data.

It's super impressive if you read through it and it took maybe 3 or 4 months and we were joking around this idea of like, you could have just gone and talked to like three sales reps and got the same, same end result, you know, reps that are like in the field, in the trenches deep with their their, you know, whether their physician stakeholders or other clinical stakeholders, etc.. And I think again, that sort of reminds me of this idea of don't let data just, you know, don't let data be just the ultimate driver, right? Use it as a lever for sure. And then maybe help directionally or kind of like help you directionally.

But again, a lot of times learn a lot more just by kind of being in the trenches with your customers. And it's going to be kind of, you know, that's going to ladder up to kind of qualitative kind of intuition. But um, with that said, kind of this, this topic of MVP, I think it's a good one, right? Because again, a lot of cliches, you write, you watch a movie, uh, what's the like the, the what was the what was the movie on Facebook? Was it social. The social network. Social network. Yeah, yeah, yeah. Or even BlackBerry. Right. The recent BlackBerry movie which got a funny too. Yeah. Like, you know, you move that fast and break things and it's like you do that in MedTech and you're, you know, you're not you're just going to be dead quite, quite quickly. So I do fundamentally believe that first impressions matter for sure if you launch a device.

In fact, I was having this conversation with another cardiovascular start, the CEO of another cardiovascular startup that's done quite well. I won't mention his name, but we were talking about this idea of like their first iteration they launched with really set the company back because it just it didn't it wasn't great. It wasn't a great. And they launched with it and they just had a kind of um, it took a while to sort of, you know, not only go back to the drawing board, but kind of overcome a lot of the, the skepticism. Right. A lot of users had with their second generation version. So I do think it's important.

I think where it's really applicable to MedTech startups is kind of thinking about the various stages that we all go through, right from initial kind of, you know, concept to prototype to maybe an alpha version to a beta version and even into, you know, potential clinical studies is thinking about the minimum viable thing, right? So like, what's the minimum viable alpha that we can create that is going to demonstrate the 1 or 2 things that we really need to prove with Alpha. Right? So as an example, I don't want to layer in a bunch of features that are going to be in our commercial product into the alpha version, right? I want the most minimum viable kind of alpha version that's focused on those key things that we need to prove out. With this

particular iteration, same things apply, same thing applies with beta, and the same concept holds true even as you get into like, you know, pilot feasibility studies is what's the minimum viable thing that's safe, right?

That doesn't break the rules that we can effectively use in a patient to demonstrate safety and maybe performance. Right, as well. So again, thinking about kind of that, that aspect of the minimum viable thing, as you kind of move through the various stages that most MedTechs have to move, most MedTech startups have to move through. I think that's what's most important to think about with respect to kind of this, this MVP topic.

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Michael: We had a chance to talk to the team from Bold Type. They do a lot of product development, helping companies like kind of figure all this stuff out, right. And one of the big challenges that they talked about is sort of that wish list of things that people want to have in their product by the time it goes to market. And it's like, yes, eventually we can include all of those things you just listed off. Do you want to go to market this year, or are you looking like three years out because like, we can eventually get all those things in, but, you know, you may be making your life a whole lot harder and taking a whole lot more time to actually get there, no doubt.

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Scott: I remember Doctor Scott Wolff telling me he's the founder of Coolsculpting, which I think a lot of people are aware of. He's now his most recent startup is Air and Medical. They're doing quite well in the ENT space, and I think he might even be onto another thing by now. But, you know, a guy that's done a lot, experienced a lot of things, kind of a mensch in our space. And we were talking about their early clinical studies with Aaron, and he was like, no, we were lugging around this big, ugly looking box.

It was super heavy, not portable, but it served what we needed for those initial clinical studies, which was most important, right? They just needed to get to that inflection point, get this in patients in a safe way that, you know, proved out certain points that they were kind of focused on. And again, that's coming from, you know, someone that's been around and experienced a lot. And he was totally comfortable with that approach. Right. Because a lot of us might be embarrassed. We're going to take this big ugly thing and do a clinic. And people we're going to get looks of like, is that really even safe? Does that even work?

But so long as it does, right, and you've done the necessary kind of bench testing or maybe even pre-clinical testing that's needed for those first human studies, that's sort of like is a good

example of what we're talking about here. Like getting to that, you know, just minimally viable enough to prove out what you, what you need at that particular stage.

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Michael: So let's shift gears a bit, and I'm doing a lot of shifting gears on you. I appreciate you sticking with me through all this. The whole concept, entirely novel solution or iterating on what's out there already, what's better? What makes sense for companies? What are all the caveats that go in such a broad question like that? I'm sure there are definitely benefits to both, but. But what do you think around that?

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Scott: Yeah, man, this is a good topic. And I hate to sound cliché and it's an answer like, it depends. It depends largely on who you're talking to. Right. So like as an example, if you're talking to a VC right. They're in most cases trying to like make very significant bets, outsized bets. They're going to return their entire fund or a multiple of their entire fund. And they're likely not going to be okay with just a me better version. Right? They're going to want something very differentiated, very novel. Whereas if you talk to a physician that's used to using a certain device and they're just looking for some improvements, right? Like they just need it to do X, Y and Z. And the and the current kind of company is not doing that right.

The current company doesn't want to innovate. They just needed to do a little bit better. That's kind of your classic me better write your version too. And so a lot of a lot of times folks in marketing, product development, even R&D for that matter, we'll get to lost and trying to develop something super differentiated and super novel when that's really not necessarily what your end users are looking for. So of course it's a balance, and it probably depends on kind of where you're at as a, as a company. But at the end of the day, I would just really ensure that or really be mindful of even if your novel idea is really cool, right?

And could really like be incredibly beneficial if there's if it's going to create a lot of friction with the end user, that's likely not going that's likely going to affect adoption to a very, very large degree, even if it's a really cool solution. If it's hard from a workflow perspective, if it's, uh, you know, creating, you know, five extra steps in the process, you know, just be mindful of that, right? As you kind of balance, you know, something super novel versus something that's just an iterative improvement.

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Michael: Yeah, I'm sure there's a lot of, uh, skepticism that comes from buying committees as well for hospitals that are thinking about taking that big leap and leaning. Into something that's so very different. Just to give a shout out to a community that I'm a part of is it's an orthopedic group that they're talking through a lot of like new products and sort of like all the pain points that you kind of just described there. It's called bone chat. A guy named Tiger Buford runs it. And um, and they talk about like, hey, if you're deviating from what's out there, you're definitely facing an uphill battle, right? Like there's definitely a big challenge there. Another, you know, trade show that we were at, uh, this, this past year.

There was kind of a panel of different companies that were kind of all in the same space. Right. And there was a clear incumbent in the space that had presented earlier. And then there was a several, you know, that were kind of like talking about why they each deserved a share of the market, and they each had, like, interesting things to bring to the table. And then it was funny because there was somebody there that was also like from an ASC group, and all the startups are trying to get in front of the ASCs, you know, and like because that's the big pivot, that's where everything's going and all this kind of stuff.

And they were all saying like, this is why, you know, why we deserve a share, why people should consider us. And we don't want to be a clone like, that's the big evil. Don't be a clone of what already exists. And because then you're just in a race to the bottom on pricing, and the guy from the ASC was like, look, he's responsible for all the purchasing and stuff. He's like, I'd be happy with a clone if I could get a cheaper version of the thing that's already out there, I'd be fine with that. Yeah, maybe not be the market leader, but I'm okay with that. So no, it's a.

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Scott: Really great point. I mean, all of us, you know, that are listening, or at least probably a very healthy percentage, you know, go to Costco on a regular basis, right? I mean, look at Kirkland, the Kirkland brand that is your classic like maybe either clone, maybe slightly better, maybe slightly like, not better, but it's a phenomenal price, you know what I mean? And so yeah, I mean that that's a that can absolutely be a value driver. Right. Is making sure that, you know, or working on something that has a significant economic advantage. There's other sort of things to consider, right.

Your supply chain, etc., that can help you kind of hold sort of margins right where they need to be while delivering on a, on a, on a lower price in this example. But it's such a great example. You know, it's so easy, especially with like, you know, kind of traditional kind of MedTech purists that are all that are always thinking the next novel thing, the next breakthrough thing. And it's like oftentimes like your stakeholders, you know, they're just looking for a like something just as good this more economical. I actually think that that topic or this topic that we're kind of, you know, the economics of devices, I mean, this has been trading in this direction for quite some

time, but it's going to be ever, ever more important, you know, over the next, uh, you know, five, ten, 20 years.

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Michael: Yeah. It's not like, uh, hospitals have had like a great run financially here lately. So I'm certainly interested in looking what their options are. Oh, yeah. One last question for you here. As MedTech companies, if they're struggling to find that right market fit, if they're really trying to get this product out there, but they're having a hard time, where do they start? You know, like they've already got a product. They're realizing that they're having this struggle now. Like where do you try to point people first, or is it a case by case kind of scenario?

00:28:04

Scott: It's certainly case by case, right. But the one, you know, as I thought about this question a little bit, the one thing that comes to mind is just the decision around that. Right? Because that that scenario, right, where you, you either have launched something that is not getting the traction that you thought it would, or maybe it's still in clinical studies. Maybe you've already allocated a significant R&D budget towards it. But there's this trend of signals right that point that this thing is maybe not going to work out or it's likely not going to work out. I think the decision is probably what's most important around this topic, because all it's going to be very if you have to kill it, if you have to kill this project, it's going to be a really, really hard decision.

But that's sort of part of the game, right? And maybe I'm speaking to a little bit more of like a startup kind of entrepreneurs. You have to be like really, really comfortable making decisions in an uncomfortable environment, right? Or with imperfect information. You know, one of my one of the guys that I kind of inspires me, kind of in the startup ecosystem is Dharmesh Shah, founder of HubSpot. He often I've heard him mentioned this several times that like the best CEOs that he's around kind of in the startup ecosystem, regardless of the vertical, our decision machines, meaning they're exceptionally good at making quick, decisive decisions when all the information isn't perfect or it's not all there. And sometimes they're going to get it wrong, right?

But more often than not, that just the sheer momentum, I should say, the ability to decisively make a decision and the momentum that comes with that is what's most important. So I guess that's kind of where my head goes when we talk about this topic of like, how do you deal with that? Just being cognizant of that. Most of the time the decision is not going to be easy, and what's worst is continuing to allocate time and budget towards something that's never going to have legs, that's never going to have traction. That's the worst, right? A far worse than kind of, you know, making a decision to kill a project, potentially kill a project. So I don't know if that's helpful, but that's kind of what resonates with me when we talk about kind of this, this, uh, this

heart, this really, really difficult decision around, you know, how to how to either iterate on a product or just, you know, kill it entirely.

00:30:01

Michael: One of the kind of overarching trends, I think, just in my day to day right now that I'm considering through all this kind of stuff. It's like an AI is coming so fast and it's going to replace a lot of people, and it's going to do this. And there's all these like dire predictions of what's possible, but what are those uniquely human things that we can lean into more that we can be more of, that we can really kind of seize decisive moment, you know, movements, leading people, leading a company. I think that's a great point and a great point to wrap up on. That's because that's you can run projections all day long, but it's not going to be the same thing as like making that hard decision and moving forward.

00:30:38

Scott: Oh yeah. Yeah. No doubt this is a little bit off topic. But you brought up I you know, one thing that I was having a conversation recently with a pretty experienced kind of leader in MedTech is now with some kind of interesting organization that I would say mostly does investments, if you will. But he mentioned he was like, Scott, I'm seeing so many, so many pitches these days that were there. They're really trying to work in this, this concept of AI and it just confused. It's like so confusing. It's like, I don't what do you guys even doing?

Like whatever you're working on is definitely not going to like connect with your end users, even if it's even if you're saying it's AI, you know what I mean. And so I think that's something important, right? To your to your point is like, you know, yes, there's definitely a trend we're AI will be increasingly more useful. It's not going to take over the world. You know what I mean? It's not the case.

00:31:25

Michael: Buzzword when it comes to investing in discussions around all that. That's funny.

00:31:29

Scott: So much that I bought FastWave Medical .AI, right? Because I just want to be an AI company. I'm just joking.

00:31:35

Michael: I was listening to a marketing presentation last week and the guy said, um, he's like, I'm pretty sure that I'm the only marketer on LinkedIn that isn't an AI expert, you know, to my little title there. So. Oh, yeah, that's fair. That's fair. Yeah.

00:31:49

Scott: I was listening to the All In podcast. I know this is probably a couple months ago. And Dave, I think it was David Freiberg, if I remember correctly. Right. Who's like if anyone's knowledgeable about I mean like he's, he's you know, he I mean he can talk he can talk shop. There's no not about that. He was like he made a comment. He was like, I don't even know how we're describing AI these days. I mean, it's really just like data analysis or machine learning. I mean, it's just like you're taking a subset of data and. Right.

And analyzing it maybe a little bit better. Is that what we're calling AI? You know what I mean. So yeah. So yeah, again I think it's kind of there's no doubt I mean, like anyone that's used ChatGPT or any of the other tools built on chat on GPT or Bard or any of the other, um, LMS. It's impressive, no doubt. Right. And there's ways to use it, but it's not. There's still a long way to go with the technology, for sure.

00:32:31

Michael: Definitely, definitely. Very awesome. Well, Scott, thank you so much for this conversation today. This has just been definitely a pleasure. It's fun to talk through these ideas, of course, with just like, hey, here's what best practices are. But it's also great to just hear like, hey, and here's what worked and didn't work for us, and here's how we're seeing things actually play out in real life, you know. So it's not your theory. So thank you everybody, for listening today. For more on Health Connected show, please visit HC show for previous episodes and Health Connected as a company. Thanks so much everybody.