Could Your Healthcare Idea Become a $100 Million Startup? Transcript

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Why great healthcare ideas need more than clinical insight

Welcome to the Startup [music] Physicians podcast where we explore how doctors lead healthcare innovation. Please like and follow our show to join our community of physicians [music] contributing to meaningful change.

Hi everyone, welcome back to the Startup [music] Physicians podcast. This is your host Dr. Allison Kerman. I [music] know we've spent the last few episodes really focusing on physician founders. I wanted to spend some time today to interview a good friend of mine, Dr. Mary Parmman, to talk more about the advisory and consulting world again. Um, this is something that I've spent a lot of my time doing and have obviously designed a number of resources for other clinicians who are interested in exploring the advisory route, want to work on something on the side, want to get involved in other income streams without necessarily jumping off and starting their own company. And I am so excited.

Mary has such great breadth and depth of expertise in working with health tech startups as an adviser and consultant. So Mary, thank you so much for joining me today. >> Thank you so much for having me. I love I've been loving listening to your podcast and learning from you as well and and seeing some similarities in what we do. So, thank you for having me.

>> Absolutely. Well, I would love if you could start off by sharing a little bit about your clinical background and and when you first got started in this space. >> Yeah, absolutely. So, I am I'm an OB/GYN physician. I'm based out of Northern California and I've been heads down practicing for over 20 years. Midco I had a little bit of reflection as I'm sure many of us did. I was telling you earlier Allison that at some point I realized like hey I have one source of income and that felt midco a bit vulnerable. I also had some of those reflections of feeling like I wanted something more and new and different and feeling a bit trapped with where I was in my work career. So so I set myself on a mission to create some additional streams of of income to use my medical degree and my experience in different capacities.

Introducing the Concept Pitch Builder

Um, so I wasn't always doing just the onetoone medicine that I've done for so many years, but really be able to extend that broadly and and I live and work in Silicon Valley. So really being able to implement some of these things in some of these health tech companies that I I realized at that point these people had been pitching me their products kind of in clinic for so many years and then I realized like hey these need these companies need physicians and kind of that clinical insight. So yeah, so I started branching out about four years ago in consulting for health tech startups.

>> That's amazing. I I figured that your geographic location may have had some influence on the success you've had, but I think it can be replicable. I I I think it might be something that when you when you live in the Bay Area there you you might be more connected to the center of that or more it may be more obvious to you what the opportunities might be because I hear people that they're like well yeah if you live in San Francisco literally everyone you know is in a startup or fundraising for a startup or yeah >> in the VC cycle but that being said most networking is virtual at this point so I think people need to not they don't need to move to Silicon Valley to see the opportunities they need to hear stories like yours and and understand how building out really a network and your own value proposition and really putting yourselves out there and start identifying like who are people that I could grow a relationship with and how could I help them? And I'd love to revisit something that we were talking about right before we started recording, which is just this attitude of how can I how can I serve how can what can I offer how can I serve this person? A lot of physicians start to get really nervous when you talk about like side gig work and the idea of like selling like oh I don't I don't want to sell stuff like but it's not like we're selling Tupperware or an MLM scheme or you know something like that. It's it's it's forming a relationship. It's finding mutual ways to add value and it's yeah really planting a seed and growing a relationship.

Defining the problem and why now

So when you kind of had this shift and you started out doing outreach, what was that like for you? Like what types of people were you meeting with? What was your experience?

How did you find ways to really add value to what they were doing? >> Yeah, I initially this was probably midco so it was about four years ago. Initially everything was virtual and I you know I had in mind of like okay if I s if I feel stuck or trapped like what are the different ways that I could use my medical expertise and I actually just started talking or having conversations with various usually women's healthcare startups. So a lot of these were probably tele medicine companies.

Evaluating market size and venture potential

I was kind of I think initially exploring like well could be could tele medicine doing you know like virtual medical care for patients could that be a stepping stone or a bridge to get me to some other step like the idea of me doing tele medicine 247 sounded like not so fun because I'm I would rather be hands-on I'd rather be in the hospital and like doing things than being in clinic all the time so tele medicine kind of felt like clinic so but I so I started just talking to these companies though like what would be a a bridge that could get me from one place to another to have that like flexibility and freedom. And I realized though in talking to a lot of these companies like hey I wasn't as much interested in doing tele medicine for them as I was to help them roll out something in women's healthcare right like maybe they were focused on like who knows weight loss and men's medication treatments and therapy algorithms but they didn't have much of a women's health arm or they didn't have something specific to like say PCOS or endometriosis or something like that. So, you know, honestly, most of my conversations in the beginning were just me learning and exploring and seeing potentially like what value could I add to those companies, not even taking them per se as like interviews as much as just like I just wanted to learn from them and I wanted to see where they were at. And then eventually as the world started to open up and people were having in-person networking events and whatnot, I think those to me are really fun. Like I love to go to these conferences and just meet all the people and have all the chats, but not with this like intention of like I need to land myself a gig or a job. More so just to go and learn like see where they're at with things. And sometimes it's not as much about what they can give to me, but what I can offer to them.

Identifying the buyer and go-to-market strategy

And and not even in a monetary sense, like where are they at in their stage of things. And you start to realize with so many of these conversations, like many of these founders and innovators are engineers in the background or they were a mom in the background and they just had a problem they wanted to solve, but they don't have that clinical insight that to us we could do in our sleep, right? So that's that's really kind of what led a lot of those conversations and and you know many of those things come back around like months and even like years later.

So it's really fascinating how that like it's just really developing that network and having those conversations, building those relationships and that continues to like flourish over time. >> I think what you're describing is really a discovery process. So we do that with any new concept. So even if the new concept is exploring how can I be an adviser, you you do have to do discovery. You have to hear a lot of perspectives and start to fit the pieces together and and come up with your own understanding of your value proposition.

What what could you do for them? And then try making offers like even if it's do do you do you want any support? are are you do you have a clinical advisory board or are you thinking of forming one or do you want any support in your clinical model or even you know making connections for people?

Understanding competitors and market gaps

I think your approach is very much aligned with what we would call an an abundance mindset where what can I offer? What can I do for you? I I see a lot of people going into this with what I would consider a scarcity mindset where they're very very worried like I'm going to get taken advantage of. How do I make sure they don't, you know,

they think that having networking meetings that someone's gonna milk them for information and like pull IP out of their brain during a 30 minute coffee and and go make a billion dollars. And that's just I just don't think that's how it works. Like I just don't think there's anything that I could say in a 30-minute meeting that would change the course of someone's business. But it could give them evidence that I of the type of contribution I can make. So, if I'm really adding value and giving them ideas and making connections for them or giving them feedback on their product in in an introductory call, it it's almost like a it's again what can I offer you?

Um, and that helps build relationships and helps get you to a point where they're interested in coming and pursuing further conversations.

Building your minimum viable product (MVP)

Yeah. Initially when I I was on a mission initially I was like well not that I'm not now but like my I had a goal in mind and it was like you know it was like I signed up for the marathon in a sense you know I was like okay I've signed up for this I'm going to do the training so I had created a a spreadsheet and listed out all the companies that you know like what are all the women's health tech companies out there which one of which ones of them might be areas of interest that I have and then you know have I had a conversation with them did I reach out by email, what's my next follow-up stage with them? Even if it was just kind of continuing that conversation, and then some of it was like, what role could I potentially play for them? Whether or not I'd ever talked to them or I'd had three conversations sometimes, like you said, kind of that exploration role in my head was really helping me shape all these potential different avenues. And and now what's interesting is I don't have like one just role that I do or I don't play just one type of role for various companies. I think I still use that concept in what I do now. What I do for probably 12 or 13 different companies that I collaborate with. This is very different for each each position that I'm in.

Creating a scalable business model

>> Yeah. I mean, I think what is clear is that every single startup or founder will have a different need of what the scope is that they might be looking for clinically. Um, and we've talked about this in our some of our previous podcasts about different like archetypes of the types of work you could do. Maybe you are more of a interest in helping them with their clinical research or helping them with getting their message out or helping them to, you know, pitch to payers or things like that. So, sometimes it takes trying on a few of those different things to decide if it's even what you like to do or what you're good at. Mhm. >> I don't know about you, but when I first started doing it, I definitely took on several roles where I was kind of trying out different scopes and realizing, well, this one I'm better at, and this one I don't enjoy as much. And and then it helps you get clear about what you have to offer for future conversations. >> Yeah, it's so true. I I mean I've there's some companies like one company I've been with for over four years now and they were a very early startup and they've they've grown and expanded quite a bit and so my role there has changed throughout the years but also like I'm very invested in them not like financially invested but just like my heart is invested in them right so like you know what we got to sometimes take out the trash we have to do the things that aren't so fun I get to do finance stuff and you know like whatnot that I wouldn't and say is my forte or my strong point but this is the mentality of a startup and sometimes somebody has to do it so I'll you know put my hands in and do what needs to get done but now as I've refined and revised different roles that I'll take on I have learned from that and I'll be like hey these are the things that I am probably better at these are the things I'm not so great at I can do all of those things but here would be my preferences or I'll specifically even line it out in a contract of like this is kind of the definition of my role.

Defining your role as a founder

So, it it's kind of to your point like I it's morphed over time. I've learned a lot. I still have so much to learn too, you know, like I think that's part of it.

Sometimes sometimes the, you know, nuts and bolts of what I'm doing day-to-day is not always very interesting, but the bigger picture is interesting. Like I'm learning how to do the business part of it or how to kind of talk the finance part of startups through doing sometimes some of this hard or annoying work that doesn't seem very fun. >> Yeah. I I think one of the things that people need to get good at is identifying almost their menu of service

offerings, even if even if they don't really know what it should be yet. I make the analogy that if you walked into a restaurant and they didn't have a menu, you wouldn't order anything, right? You'd be like, >> "Yes, what am I doing here? Is this sushi or is it ice cream or is it pizza?

I don't know." Um, and I think that in the startup space, especially for roles for adviserss or consultants, like it's not always super clear cut. It's not like there's like a they're not super organized, right? They're it's not like they have a really clear job description of exactly what they're looking for.

Like you have to come to them and tell them what they might need from you and how you offer it.

Turning your idea into a concept pitch

and and and and there's layers like it could be as simple as like one of one of the things I always offer is like oh we could just you know be a network connection if there's anyone I can connect you with let me know that is not necessarily a paid engagement that's kind of like a free opt out like we're not ready for someone right right now but it's a way to keep the relationship going versus we could do a project together here are some things that you've been talking about in your goals or in your strategy or in the the challenges that you're having that I think I could probably contribute to in a shortterm, you know, feebased capacity. And and you and I talked about shorter term introductory engagements for just a couple months, something to kind of test the waters, see if you're both working well together versus like growing into a longer term retainerbased role. So I I'd love to hear your thoughts on, you know, the engagement approach. And um it sounds like you have some clients that again you've been serving for many years. I also am in some pretty more more stable retainerbased contracts with clients that I'm on a longer term path with. But how do you approach kind of the introductory of the engagement? Yeah, I I would say initially when I was approaching this again on a mission to kind of diversify what I was doing, I I was open to whatever and I wasn't as worried as much worried about like how much they were going to pay me as much as I were was wanting to make sure I got some experience under my belt. So my initial conversations are probably a bit different than they are right now. But in the beginning even I was like again one of my goals to was to diversify my income. So, I was like, "Whatever I do, even if they're going to pay me $5 an hour plus some equity, I was like, let's consider that, you know, thankfully it worked out better than that.

How to use the Concept Pitch Builder and apply to the incubator

" So, it wasn't that, but it was, you know, it was probably a com a combination of some equity mixed with um some hourly pay in the beginning. Now I primarily try and front with more uh retainer based compensation methods because what I realized at at this point and I want to continue to emphasize this going forward is I am providing them not with my time but with the value right like I had one company that I worked with that you know in a matter of two hours I think I saved them three years of unnecessary research and millions of dollars because they were going the wrong direction and that's probably hard news to to deliver at times, but that was very much worth my time or sorry, very much worth my value to them and it was a retainerbased contract and I felt like, you know, if you were just looking at an hourly rate, I did really well for that company. But, but if you were looking at the value, I provided very high value for them. So, I think it's kind of keeping that mindset as you go forward. Now, every company, like you mentioned, they might be at a different stage in their startup capacity. So, a lot of these startups early on are probably more equityheavy and they don't have as much cash to dole out, but you can bake that into an agreement of like, okay, let's start out at this for the next two, three months and then let's reassess at that juncture. Um, I think the other thing I like to do is consider when that company gets to the next stage in their funding round that we are renegotiating what that compensation model looks like. That is always the approach that I suggest people take because these are inherently growing companies, right? They might not have cash right now when they're meeting you and maybe you're starting something small for them, but if you can ride that wave with them to their next fund raise, then then that should convert over to a a paid compensated role. And those are all things you can address with the way you set up your agreements. I personally don't really do hourly contracting for the same reason as you. I I don't like the idea of like trading time for money or or that my contribution is based on the number of minutes that I spend doing something because it's not. I think that especially even as I even learn more about AI models and how I can make my work even more impactful, more valuable, more efficient, it really has very little to do with how much time I spend on something and more about the the resources I bring, the network I bring, the strategy that I bring, the the past experiences that I can share, the the way I can help them win

over their board meeting or their investors. All of those things are really have very little to do with how many minutes or hours I'm spending. But that being said, some companies it's like hard for them to stomach the idea of like getting a reta like a retainer. It's like hiring a part-time employee. And so project based work can be a really great way to start if you can really deeply align on a scope of here is something that like we know you need, you know, you're gonna pay for it in some capacity. I could take it off your hands and and that that that's like an investment in on your part too. So you are getting some amount of a you know a fee for the project that you've kind of calculated out like this will come back to them you know with a good ROI and maybe maybe it's your investment but you said something earlier about like you want the experience you want the relationship you want the starting point you don't necessarily have to have the starting point be the most profitable >> side of things. Yeah.

>> And especially if you've never done it before, I actually encourage people to maybe even take on an unpaid contract for three months, like an internship to say, "Hey, I'm trying to get experience in this field. I want to spend time with exposure to the the investment banking team or to a product team or to, you know, how a startup approaches fundraising. And in exchange, I'm happy to provide strategic clinical guidance for three months." and and you get experience and something you can refer to when you're talking to other future clients. You get hopefully someone who could be a reference for you and then hopefully they also might want to grow that role with you. So, I think experience, you know, we have to recognize that like you're going to feel like an intern all over again. Nobody's going to be paying you 10k a month off the bat when you've never ever done it before, but that could be a very reasonable goal for even just after your first couple engagements.

>> Yeah, and I was going to add to that. I I mean, still to this day, I'll take on hourly roles of different things, especially if it's some an area that I want to learn or explore more, right? So I like in a sense and this might be helpful to some of your listeners. I set myself a base pay rate of like okay I won't go below this for an hourly rate and it's not it's not crazy but it's just to be like for me in my comparison world it's what do I get paid if I were to do a hospitalist based work and kind of set that as my like that's my floor.

But like for example, I have a few things that uh that are really interesting to me where I have a lot of learning to do say in kind of like the AI space of um tech where you know I wasn't none of us were trained on that back in the day because AI didn't exist way back when I was you know in training and nor did exist of AI and healthcare at that point right so there are some things where I'll take on roles say with some of these big tech giants at an hourly rate because I one I want to be a part of that project you know like I I love this concept that we as physicians can help shape the future of the world and some of these big tech companies are looking to do that in healthcare as well. Right? So I will take on some hourly projects and what I would say is the work in it of itself is not all that exciting but the global mission of it is and also just my ability to kind of be able to be working behind the scenes and seeing what some of these folks are doing and what knowing like from a medical perspective like what are some of the safety checks and balances that AI is using and how can we be part of that. That to me is really important. I think that when it comes to hourly rates, you know, there's this tension between like know your value and know your audience, right? So, I think that some doctors maybe have some experience being a consultant more or more in like a expert witness capacity and just knowing who is the person paying for this. Like if you're an expert witness, it is like a law firm that's expecting a big payout from a case. They do not have price sensitivity. Of course, people are putting rates of like $700,000 more per hour as an expert witness. And maybe if you are in even some of the the expert networks and if you have a really specific skill set and somebody might come to you for like a discreet amount of time for doing discovery on a you know a concept that they might pay a higher rate. But in general, when you're talking about these companies, like they do have price sensitivity. I think setting your rate around what your like hourly clinical rate would be is reasonable, especially if you really what you want is exposure. You want experience, you want to have the visibility into this sort of work. I just see people who their their process breaks down because they make a relationship and then they have some sort of ridiculous hourly demand. They don't realize that like that's totally out of line for this type of a buyer. >> And so I think u your approach is definitely a lot more open to actually expanding a a pipeline of opportunities.

You'll have more things that land if you're willing to kind of start at a lower hourly rate and grow with it. >> Yeah. Yeah. Yeah. Absolutely. I I mean, and I have some things where I in my mind, it's not like in an official like I've signed up for a mentorship with soand so, but I have some things where I just donate my time because I am learning tremendous value from those companies or those individuals. So, you know, I think it's you I what I did a year and a half ago, and I don't know if I went into this early on, but about a year and a half ago, I resigned from my

full-time practice. And so, now I practice on the side. So, I'm about 80% health tech consulting and 20% practicing. But what I realized in that too was like I still have so much to learn. So, in those relationships that are so tremendously valuable to me, like yes, they are learning from me, but I'm learning so much from them and that's going to help me continue to grow and expand my network. So, um, you know, you I kind of factor that into what how I lay things out.

>> Yeah, absolutely. Yeah, the value. You're exactly right. >> I think there's also a facet of this that I I too donate some of my time. I mean, there are causes or concepts that like I just am very drawn to or I really believe in the founder or or it's like policy work that is uncompensated, but it's a mission that I care about. And so I think that's what's so nice about being your own kind of free agent is you can have a different approach to different types of agreements. So I I can donate time to one cause. I can create kind of an entry project for another new client that's kind of a low like low barrier to entry. Um, and then with the goal of, you know, as they fundra and they get their first round and they really do need someone to help them deliver like that, you will convert over to a stable retainerbased contract with really clear scope and goals, but it it requires a pretty robust pipeline which I think physicians are not really well trained in developing this sort of like a networking pipeline. And so two of the things that I think you have to have, one is a understanding of what the value is that you bring, which you talked a lot about doing discovery and having a lot of different experiences as you hone in on what is my value. And I have a whole process that I walk people through to identify what skills sets will be transferable, what sorts of areas you're interested in, what problems you want to solve, what's the archetype of the sort of work you want to do. How do we actually find companies like that and create a value proposition? And then an outreach strategy. I mean, I don't know about you, I use LinkedIn and conferences as like my core way of networking. But you know that's one of the things I've been trying to do is develop tools for physicians to take where they are now where they have no exposure to this world. Get a clear understanding of what they can offer and have a clear understanding of and these are the people I could offer it to whether it's startups or at the venture firm level because a lot of firms like I mean even in in your area man women's health is just blowing up. there are whole firms their entire portfolio might be focused on women's health and then if you're cons it's almost like consulting at the umbrella level as opposed to the portfolio company level so yeah those are just some thoughts I'm having >> or even networking at that umbrella level right a lot of the conversations I have with VCs and VCs that are you know really focused on women's health is talking about you know like I listen to a million pitches of different startups with companies But also like those then those VCs are also providing references or referrals for me. You know, they're like, "Hey, have you talked to so and so?" And that's where, you know, I've gotten several product projects just out of them like, "I think there's somebody that might need your help type of thing." So, it's not always that the VC that you're talking to wants to pay you directly. sometimes they can connect you with a project or a collaboration that is a win-win because if I can make um this company do well then that helps the VC's bottom dollar as well >> for sure. So, I would love to see if you have any particular advice for um people that are more in a traditional setting, maybe have never met a single VC, they don't live in Silicon Valley, they don't know anyone in health tech, they are like you in that they don't want to always be relying on one source of income and they want to expand their contribution. What would you say would be some tangible steps that someone like that could take to explore this opportunity? >> Yeah, I think one of the the lowest hanging fruit or the easiest thing with low barrier to entry is to go to your local specialty conference. For me, that's American College of Obstetrics and Gynecology, right? And if you go to the what is it, the fair that they have, right? They all >> Yeah, the exhibit hall. Exactly. with all the booths, like just go booth to booth and see what some of these companies are doing. And you you start to realize and again, you're just there to learn. But you realize like most of these are startups in some capacity, right? And and some are not startups. Some are very well, you know, like they've got the train moving, but they still might need medical help. But just go booth to booth and start meeting people and having conversations and using that as kind of that exploration field. And then, you know, every day at the end of your exhibit hall wandering, then create your spreadsheet. Be like, "What companies did I meet? Who did I talk to? Who can I follow up with?" And not always, again, not not always like looking for that job, but just to be like, "Hey, that was a great conversation. Thank you so much." You know, and like keep kind of a a running spreadsheet of those things. And also like even if they're not looking for somebody, just put your own thoughts in there like okay, what would a company like this do with a physician or do they have physicians that they're already working with and what do those physicians do? And that's a very normal fine, you know, not salesy conversation or even question asking some of those conversations. So I think that's probably like a very easy starting point. Most of us have been to our, you know, our ACOG version of your specialty type of thing. And then I I mean the other thing that is available to all of us, you can use your AI of choice to just be like, hey, for me it's like what are all of the women's health tech startups that are out there and maybe like make a list of all the subjects

you'd be interested in, you know, and like who all doing what in these spaces?

Create me a spreadsheet and then you can start to just learn, look and learn. And so that's another great way just to kind of start exploring what are options out there, what are potential different roles. And then I I of course in health tech I specifically look at going to health tech conferences every year because you're going to see a lot of these startups there as well. It's just going to be bigger and broader. It's not going to be like specialty specific.

>> Absolutely. You actually kind of hit the nail on the head for several of the outreach strategies that I teach physicians. So lowanging fruit is also LinkedIn cold outreach. I know it sounds scary, but worst that can happen is they just don't respond. It's no big deal. We actually have been developing a new uh product like a small AI tool for generating your exact playbook for what your value proposition could be, what sort of roles you could look for and actually an exact playbook for doing outreach and discovery calls and what your offer can be. And then also creating a very robust outreach tracker for your specific niche, both startups and venture firms with a really clear playbook of exactly how you could do an outreach strategy. So that's one thing that I would love for people to check out. It's um going to be available on our website in the near future. And then like you said, conference outreach, your own conference. If you're going to a conference, stop considering yourself like a consumer of the products in the exhibit hall and start thinking of yourself as an adviser. See if you can walk around like she said, find ways to add value or consider how you could add value. And then of course, health tech conferences. I just got back from health in Amsterdam last week. I will definitely It was great. Yeah, it was it was so amazing. And I think that the health conference in Vegas in November is a great opportunity for physicians.

We will be doing some events there and also have a a discount code for physicians. So highly recommend people check check out the health tech conferences because like you said that's where all the opportunities are going to be all in one place at one time. So I love hearing your approach and your journey. It's been so amazing to see your success and even just this great story of how you are able to stay clinical on your own terms but now spend about 80% of your time consulting for health tech. So thank you so much Mary for joining us and for for sharing your perspective and your story.

>> Yeah, thank you so much for having me. This has been awesome. >> All right. Well, if anyone is interested in connecting with Mary, we will put her LinkedIn in the show notes and until then I will uh look forward to seeing you guys next time. Hi, thanks for listening [music] to the Startup Physicians podcast. This community was built for doctors who want to contribute to the future of healthcare. We offer support for physicians who are [music] ready to make the next step towards building the career they've dreamed of.

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