CEO CFO

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mHealth company, Ayogo Health Inc. providing validated Measurements of Perceived Self-Efficacy and other Psychosocial Factors that enables Timely, Personalized and Relevant Interventions to Enhancing Self-Management and Improve Health Outcomes

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CEOCFO: *Mr. Fergusson, what is the overall vision behind Ayogo today?*
Mr. Fergusson: The overall vision of the company is twofold. On the one hand we are trying to create a place where the most talented and compassionate people can do their very best work on projects that are going to have a meaningful impact on the world. I think it is really important that you make that kind of mission into the DNA of your company if you want to be successful. Therefore, we take that part of Ayogo's mission very seriously.

The other arm is what that group of people have determined to be the best work that we could do together, which is to help patients who are making challenging transitions in their healthcare to a new diagnosis, or a shift onto a more complicated modality or therapy. For example, moving on to dialysis and end stage renal disease – we want to help those patients make those transitions effectively and to help them by providing support in the form of well-tailored educational content, tools and messaging that supports their individual needs.

CEOCFO: *Many companies profess to help people. I suspect you are doing it a deeper, more meaningful level. How is your approach different?*
Mr. Fergusson: We are a very patient focused company, and we take a service design approach to our work. We're interested in what people tell us are their real challenges, how those challenges fit into the broader context of what is going on around them, and then designing real solutions that address those challenges. It's important to say that we're not just designing things that people will *like*, because you can give somebody something that is very beautiful and enjoyable to use, but turns out to not produce a meaningful result. Therefore, we take a broader perspective of delivering things to address people's needs in particular *context*. As a result, we have ended up in quite a different place than most other companies in terms of final results of our product.

CEOCFO: *Would you give us a couple of examples to show how this actually comes into play with an interaction?*
Mr. Fergusson: We are working with an organization called the Nurse Family Partnership. It is a wonderful organization in the United States and Canada and has a presence in Europe. The mission is to help new moms and young women that are about to become moms to move through pregnancy and into the first year of the child's life with good support, and to help them build habits and skills to both be good parents and to take care of themselves in the process. They have a great program of nurse-coaches that work together with their clients, meeting them bi-weekly to help with mentoring and support. However, what they did not have was any way to keep track of what was happening between these meetings,

where many things could happen to impact the client's progress. A mom and a nurse would meet each other, they would have a session and the nurse would go away and in between that session and the next session was kind of a black hole. The nurse did not know what the client was doing and the client did not have much interaction with the nurse. Was the client making progress? Did she need help?

We were able to put software application into that gap, one that the nurse and client use together when they are together, to help the client set goals, understand what her objectives are and store that information in a place that is accessible for her on her smartphone. On her own, she can update her goals and track progress, identify challenges and track issues she would like to discuss at her next meeting. That feedback is shared with the nurse, so she comes to the next meeting better prepared, knowing what happened since their last meeting. It is not just about the client and giving her a tool that she would like. It is not just about the nurse and giving her something she will use. It is about the two of them together and the context and the relationship they have. Our software is designed to support that relationship as much as it is to support either of the individuals.

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CEOCFO: *Are people turning to Ayogo who do a lot of interactive content through their phones, who are typically using a tool like this or do you find you have people, perhaps in a new situation that must first get comfortable with connecting digitally?*
Mr. Fergusson: That is a really excellent question! It is probably going to be different for different companies, because people are serving different communities. However, our experience is that there is a lot of diversity. This shouldn't be surprising; people are very different. Talking with mothers-to-be in their twenties is very different than talking with people who are in their sixties and early seventies with Chronic Kidney Disease. Those are very different populations and they interact with and respond to technology quite differently. This is why we take a service design and user centric design approach. You have to really understand who it is that you are speaking to and the context in which they are going to encounter your software. Aside from the demographic differences, hearing about some software from your nurse coach is a totally different thing from hearing about it from another patient or installing it because you saw a poster in the waiting room. Therefore, the context in which a person encounters a new application strongly influences how they interact with it and how they think of it as fitting into their life, and how much investment they will make in learning and adapting to use it.

Our observation is that smartphones are really becoming ubiquitous now. My mom is eighty-two and she has a smartphone and uses it every day, interacting with a lot of content online, using social networks and other tools on her phone to help her get through our day. I think that it is really becoming kind of a universal tool in our society, to the point where it is almost invisible to us, just the way that we assume that you can make a phone call and speak to somebody. We do not ask if the person has a phone or access to a phone. We just imagine that they can take a call. In that same way, we are just starting to assume that everybody has access to handheld computing.

CEOCFO: *When an organization comes to you to craft a program how do you assess what they need, not what they think they need? How do you work with them and help to direct them in a way that makes sense?*
Mr. Fergusson: We would not necessarily direct them. We would say that we engage with them together in a process of discovery. It is as much about us understanding their way of thinking about the problems and the challenges that they are trying to address and the benefits that they are trying to accrue to patients and clinicians as it is about them understanding how we utilize our products and techniques. We are really trying to build a very collaborative relationship and work together to come to a mutual understanding. It sounds a little bit trite, but two is always smarter than one. It is always better if we can put together a team to tackle the problem together that brings different disciplines and backgrounds. Therefore, it is that initial engagement around the discovery and design and articulation of the problem and brainstorming around a solution that we think makes a real difference to having a successful process unfold from there.

CEOCFO: *What types of organizations are turning to Ayogo?*
Mr. Fergusson: We primarily deal with pharmaceutical companies and medical device manufacturers as our primary customers; although downstream from them are always healthcare systems and insurance companies and providers. Therefore, in some ways those are like "the real customers", because they are the ones who are using the product in the end, and getting the primary benefit from it. However, our immediate customer or you might say our partner that we work together with is usually a drug or device company.

CEOCFO: *What is your business model?*

Mr. Fergusson: Our business model is that we have software that we license on a per user basis, usually with success fees associated with particular outcomes that we want to see, such as levels of engagement or program completions. Sometimes there are also customization fees, but the majority of our business model revenue is focused around per user per month licensing fees and success fees.

CEOCFO: *What, if anything, has changed over time as you are working with more organizations and developing more programs? What might you do differently today than when you started?*

Mr. Fergusson: We do almost everything differently, at least a little bit. We have learned a lot over the years and I think that our customers have learned a lot. They come to us now with different assets on the table than when we started. They also come to us now with a different understanding of their own challenges, so they are asking us for different things. I think the move towards value based contracting is really changing the way that our customers think about providing support for patients. It used to be that you would just make a drug or a device and then you would just put it in the market and if people or used it or did not use it nobody really thought that much about it. Now, it is not enough to just have a drug or have a device. Value is only created when patients are successful. Therefore, people are much more focused on patient success and that is demanding different things from us, which I think is fantastic! It really gives our product a chance to shine.

CEOCFO: *How do you ensure a user friendly system?*

Mr. Fergusson: First of all, I might redirect the question just slightly. To me it is not about ease of use, but about appropriateness. For example, a kazoo is an extraordinarily easy instrument to use. Everybody who picks up a kazoo and spends ten minutes with it will be among the most accomplished kazoo players in the world. It does not take very much to play a kazoo. However, nobody writes symphonic music for a kazoo. People write symphonic music for a violin and the qualities that are interesting about a violin are the same qualities that make it incredibly difficult to use. So we can say that in some cases, difficulty, challenge and mastery is actually a goal of the user. People pick up the violin, not because it is easy, but because it is hard! That is something that is really important to understand about human nature and what motivates us to engage.

Managing your health is often not easy. When you are trying to do things that are hard, what you want are tools that are *appropriately powerful* for the job to be done. You want tools that help you build mastery over the things that are hard to do and sometimes that's not the same as making things easy, but comes down to allowing you the opportunity to build mastery over time by starting with easier tasks and slowly increasing the level of challenge. Now, if you make your system increase the challenge more quickly than the use builds competency, then they will get very frustrated. That is not a good situation. However, the opposite is also true, that if you make a system too easy and too simple when a person is trying to accomplish something that is complex or challenging, then they will also be very frustrated. Therefore, you have to find the middle path. It is very important to understand the complexity of the task being addressed and the level of mastery of the individual person that is attempting the task, to give them appropriate tools. That is when a person feels satisfied. We do not want a person to feel, "Oh, this is easy". We want them to feel, "Ah, this is right."

CEOCFO: *How are you reaching out?*

Mr. Fergusson: Part of the answer is that we do not reach out all that much, honestly. Most of our customers reach out to us. I think we have something really unique and valuable, the way that we use psychometrics to understand an individual patient's psychosocial decision-making context, and then use that data to dynamically tailor content and tools to their unique needs. I think that is a really interesting approach and is providing a lot of value for customers. People are hearing about it, so they are calling us. Other than that, I go to conferences and speak in public as much as I can. I love getting out and talking to people and I always learn a lot when I do that.

CEOCFO: *Would you give us an example of what you look at when you are creating a program that less knowledgeable people would not put in the mix?*

Mr. Fergusson: There are lots of things about human behavior that are profoundly counter intuitive. For example, the example I gave you earlier about increasing difficulty being essential to satisfying use of a complex system. There are many things that are like that. Another I would point out is this idea of the "patient journey". I think there is a lot of talk about it, and an increasing number of available tools, which is a positive development. However, simply describing the patient journey is not enough. The journey often describes just the surface. There is, underneath that patient journey, a lot of interaction with a supporting cast of people, as well as of resources.

For example, if a person is managing their dialysis at home they are likely not doing it by themselves if they have a spouse. Their spouse is typically very involved, as are many other relevant actors, from nurses to the people who deliver supplies. Then below that there is what we call the "back stage". That is, the systems and technologies and environmental factors that influence those upper two layers: dispatching, communications, utilities, and so on. One needs to dig all the way down to understand the factors that influence a patient's success on home dialysis. There is much detail and nuance that very hard to see until you look beyond the individual to the whole community and ecosystem supporting them.

CEOCFO: *What is ahead for Ayogo?*
Mr. Fergusson: We are charging forward in our mission. We are very excited about the team that we have together. Our customers and partners are wonderful to work with and it is amazing to be working in a field where you can hear stories about young moms who set goals for themselves, who escape abusive relationships and are back in school and doing well. You could hear about someone's mother or grandmother that is now able to take care of herself more effectively because she was given educational content in language that made sense to her. It is a real privilege to work in this space and our goal is to do as much of it as we can!