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In this episode, Taren Grom, Editor-in-chief of PharmaVOICE magazine meets with Renee Ryan, CEO, Cala Health.

Taren: Renee, welcome to the PharmaVOICE WoW podcast program.

Renee: Thanks for having me, Taren.

Taren: It's our pleasure. Renee, you bring a unique set of skills to your role as CEO of Cala Health. Investment banking, you're a dealmaker and you're a passionate supporter of innovation and entrepreneurship. Please talk about how your experiences have led you to assume the helm of Cala Health less than a year ago.

Renee: I joined as a CEO in August of 2019 and a little bit of background, my journey has been a little bit of an interesting one in terms of all the various opportunities I've had, but what I would say is it's been all in healthcare. So literally since my earliest days as an investment banker I was caught by the healthcare bug. I talk about my journey being one as a way to get closer and closer to the patients themselves.

So about five years ago I happen to meet Kate Rosenbluth, the founder of Cala Health and she was at the Stanford Biodesign Fellowship Program, was wrapping up her work there and came in to present to a group of us at J&J about her wearable neuromodulation therapy. What was so exciting to me is we knew neuromodulation was you know, electricity as medicine is not necessarily new and we knew that we could do response of neuromodulation through implantable tools, but now I was seeing something with a wearable or body-worn bioelectronic medicine. So I jumped in early on as a lead investor in the series A five years ago. So I've been on the board since day one and really was a driver to help Kate think about founding the company and pursuing this exciting area.

Taren: It is an exciting area and it's an interesting space in the life sciences. So what was it about the technology that really excited you?

Renee: It was the idea that you didn't have to do a surgery or implant a device into the body to generate the same electrical signals in the brain that you normally do with sort of cams and probes. I happen to sit on a board of a company called NeuroPace which is using

neuromodulation therapy for responsive treatment in epileptic patients, so looking for seizure activity in the brain and then zapping it with electric medicine when it detects a seizure activity. We do something similar in that through the peripheral nerves at the wrist we're looking for tremulous activity that is present in those nerves and then sending electric signal up to the brain to – in a way like a noise-canceling headphone – turn off that signal.

Taren: Interesting. You've been involved in other companies, but what are some of the areas that make it unique to run a wearables technology company? What are some of the differences?

Renee: It's a great question and I obviously don't have the logical background. I come from a sales background or a commercial background per se, but what we're doing at Cala is we're creating a market. No one has ever done this before. No one has sold to the marketplace a wearable neuromodulation therapy based on the wealth of science and clinical data that Cala has. So that's really what sets us apart.

We also, that one of the things Kate and I did when she was founding the company was we knew we wanted to do this a little differently. We wanted to put the patient at the center of our business model. So when you look across medical devices, we're a regulated medical device. We have a prescription that is needed.

The other businesses that sort of look and feel like us are things like insulin pumps or continuous glucose monitors. Those types of technologies while there is a prescription involved, they're directly shipping to the patient. So that was how we went to market. We're currently working on reimbursement, so we're in a cash pay mode. So once we get the prescription from the physician, we interact directly with the patient. They're paying for the device. They're having their bands replenished and we're training them on how to use the technology directly between Cala and the patient.

Taren: That's very interesting and congratulations to you all. Your connection with the founder and that's kind of a unique kind of relationship, how do you two work together in terms of setting the strategic objectives for the organization?

Renee: So the first challenge that Kate and I delivered, we're starting the company at the outset and being sort of like-minded about doing this differently and that sort of a consistent theme. When I joined as a CEO in August, Kate I was thrilled that she decided to continue with the company. A lot of founders oftentimes will leave when a new CEO is brought in, but what I said to her was Kate, come sit with me, come be my chief scientific officer because what we're going to do is always be rooted in deep scientific basis of mechanism of action work and prove to the clinicians out there that what we're doing – what we say we're doing was actually really what's happening. So she is leading a tremendous build out of all of our mechanism of action work where she was leading academic medical centers here in the US and leading physicians to prove

out that when we put wearable electronic medicine at the wrist we actually are treating the exact area of the brain that were surgical oriented solutions are also treating.

Taren: That's fabulous. You're right, sometimes the founder leaves or sometimes the founder doesn't know how to work within the new model when the CEO is brought in, but it sounds like you two have a wonderful relationship and that it's really symbiotic.

Renee: It is because I guess overnight – I started on August 26 and we shipped our first product on September 4th–

Taren: Wow.

Renee: I know. I know, right. But overnight the company transformed. Now, all of a sudden we had a support, a product in the market and because we're a connected, a digital device, a body-worn electronics, we're connected through the cloud, all of our patients, we have now to build out a whole digital business model and a whole commercial engine. And so if anything, a lot of the growth since I joined has been on the more commercial and operational side of the organization, but still supporting all of the scientific foundational work that Kate and her team are working on.

Taren: Yeah, wow again. So it's not just a device. It's a cloud-based device and it's working in such a specific area and everything is new in terms of what you're trying to do. Wow, that's a baptism of fire in some ways. You jumped in with both feet.

Renee: Oh my gosh, it was so much fun. It's so much fun though. You know what's so amazing is we get patients – our patients are so engaged with their therapy. They send us videos. They come by our office. It is just the most rewarding thing to watch these patients in their journey to come to get to know about the Cala Trio and then seek a prescription from their physician and then get to use it. And so we have incredible touch points with those patients that are benefiting from our therapy. That's what makes it so exciting.

Taren: That's amazing. Congratulations again. So talk to me, what are your short term and then longer term vision for the company?

Renee: Yeah. So I mean obviously I talk about having the opportunity and the obligation to serve our patients. I've been part of that. Our patients are on average 70 years old so they're very clearly in the Medicare age population. And so this year is a very big year for us to work on getting our device paid for by insurance notably Medicare and so those are some of the short term activities. We are still in a – I would call it a standing soft launch mode. We launched in three states. We launched in California, Texas and Seattle. Those were specific sites that we picked primarily because of some of the work we had done through our large prospect clinical study.

We tested our device in 263 patients at 26 sites around the United States and so we went with loads of activity where we had prospect clinical sites and so we knew we had physicians who would support us and then we would help drive patients to those physicians and their peers through digital marketing tools. And so that's really the soft launch we started late last year. You're going to see us expand that just gently here in the late first quarter of 2020 and so those are the activities that we're focused on from a near term. The near term is the reimbursement and commercial success as we build toward the national launch in 2021.

Longer term, we have a powerful technology that when we do the science right and we really know how we can access deep organ targets maybe in the brain or other parts of body using peripheral nerve circuitry and we base it in that scientific foundation, that becomes a win for us. And so obviously close to the essential tremor patient is things like Parkinsonian tremors. We're doing some work there, but we also see indications across other neurology, cardiology and other targets. So lots to get after from a longer term perspective, but right now we're keenly focused on essential tremor and meeting our patients' needs.

Taren: Excellent. And it's such an unmet need, so again kudos. As you noted you came to this position through a non-traditional route, so how would you describe your leadership style as the CEO?

Renee: Oh, that's a nice question. Thanks for asking that. So I actually have a view that leadership and management are actually two kind of separate skill sets though they have some commonality. And so a big thing for me as a leader is to lead by example in terms of the work ethic, in terms of the standards we hold ourselves to, all of that is imbued in my leadership style. In my management style which is I do think is a separate category, I talk to my team a lot about bringing their best selves and why I use that language specifically is because Taren your best self is not my best self and so you get to meet people where they are and then help them advance.

And so those are those kinds of the principles that I've always followed whether it was when I was partner at investment banks and we were growing teams and investment bankers and building the group there to kind of what I'm doing here at Cala especially now that we're going to have a more diffused workforce. We're going to have salespeople. They're in the field and they won't be here at headquarters. We need to be thinking how do we continue that leadership and management style when we now have people working remotely.

Taren: That's fantastic. And are there CEOs that you look to for inspiration?

Renee: Oh my goodness, of course. I mean look at my career. I mean I was an investment banker in healthcare. I got to work with some of the most amazing leaders. I was at Goldman Sachs. We did a lot of work with Medtronic and Bill George was the CEO at that time. I did a lot of work with Stryker and John Brown. So I have these amazing role models that have just sort of

influenced me throughout my entire career and then what's so nice today is now I have peers. When I went to tell all my portfolio companies that I was leading my role as an investor at J&J and moving into the CEO job, all of them without fail said I'm in your corner, let me know how I can help. We get it. The CEO job is a lonely job, so let me know how I can help. And so I've gotten both the inspiration from leaders but also now my peers are definitely helping out to make sure we're all successful.

Taren: Fantastic. And let's talk about some of your time at J&J. It must have been very exciting. What I'd love to know is how you decided what companies to invest in and my second part of that question is what drives your passion around innovation and entrepreneurship?

Renee: Oh, it's all in the mix in there. So when I got to J&J about eight years ago, this was in 2011, the investment world in medical devices had come through honestly the war zone. I mean we had many investor groups who no longer were supporting medical devices. Those funds had either closed or were sort of in the tail end stages of managing away the portfolio and there wasn't a lot of new opportunities to make investments in medical devices. And so those early few years are really around prioritizing the winners in the portfolio and doing some select smaller investments because syndicating deals was always difficult and as a corporate investor because of the accounting constraints you really can't be a sole investor in most of the companies.

You need those syndicate partners to be alongside of you. So that was the first couple of years and then as I got to really understand J&J, it's the world's largest healthcare company. It's an incredibly impressive company in global business. I mean we talked about touching a billion people everyday through our pharmaceutical and medical device and consumer businesses and so it's just an incredible depth of capabilities. And what I realized was J&J didn't have a cash problem. They had actually an innovation problem. In order to be able to create, move the needle type opportunities for that large of a business became more and more difficult.

And so the idea was well instead of being a fisherman and putting your net in the sea could we go out and build our own companies and so the first of which was a company called Verb Surgical which was a collaboration between J&J's Ethicon Surgical business and Google and Verily Life Sciences affiliate joining forces to stand up new co in the field of robotic surgery. It really was around this language that J&J has developed around digital surgery and really taking surgery in the OR into the 21st century. And so it was an incredibly difficult thing for 15 months of my life. I was in the lead starting the company, but it was also incredibly rewarding to see it come to life and to be able to do this, the stand up a new co between these big parent companies that it could thrive and have it's won culture. Obviously, J&J announced that it will be acquiring Verb late last year and so I guess I built something that was of interest to a big company like J&J.

Taren: That's awesome.

Renee: Yeah, I know it was incredible. I mean it was – listen I thank J&J everyday for allowing me to have the opportunity. Not a lot of companies would trust and J&J's New Jersey headquartered I'm here out in California, you probably thought I was a crazy Californian, but I really got the ability to create something impactful.

Taren: That's wonderful. And let's talk a little bit about your investment banking time too and I don't think I am overstating it that you had to feel pretty much as a woman, as a minority in that group. What were some of the challenges you faced and what needs to happen to start to equal the playing field in the investment banking community because I talked to them all the time who are interested in it, but they just don't see a path for themselves.

Renee: I wish I knew the answer, but I can only give you a thought. I was incredibly blessed. My first arc of my career which was about five years at a small boutique called Cowen and about an equal amount of time at Goldman Sachs. So a very small boutique-oriented bank and then a much larger global investment bank like Goldman Sachs. And in both of those eras, the full 10 years, the partner in charge of the group was a woman. So I didn't even know how lucky I was to be a woman – a junior woman – making my way in investment banking and the ability to look up and see somebody that looks like me was so unique.

So I actually carried a lot of that forward so that when I in the later part of my career now was the partner in charge of building these groups I never forgot where I came from. I never forgot that people did look up to me as a role model. I was a kind of leadership by example. I take that to heart. I take it really seriously because I had two children when I was late, midway late in my career in investment banking and then one when I was partner at an investment bank I did a lot of funny things like writing a maternity leave policy because the investment banks had never had a female partner get pregnant and have a child.

And so I brought that voice to the table and then as I looked in and so people coming up to the ranks the message I gave whether it was a man or a woman who was really challenged by the pressures of the job, the hours that were demanded I clearly made choices. I don't actually think there is a work-life balance. I think there is the ability to make choices and sometimes the choices are really hard in a client service world and you have to unfortunately do what the client ask of you, but also there are times when the choices are easier and yes, I've missed Halloween parades and Christmas concerts, but my kids always know and have known since day one that I'm in their heart always.

And so thank God I had nannies and babysitters who would take video of the Christmas concert or whatever it was and then I get to relive it with my children. So listen, these are hard career paths to go after and so maybe I was a little more empathetic because I had female leadership and so many others don't in coming through those ranks.

Taren: I agree and it sounds like you're setting the right tone for where you are right now as well. You have a history of being part of building category, creating healthcare companies. I can tell the passion in your voice when you talked about your first venture there. So what is it that excites you about that? Is it about bringing something new to the market? I know that's the layup question, but it's got to be more than that.

Renee: It's more than that, because it's more to me in today's environment to create a true breakthrough innovation, you actually need more than just what we used to have. You need more than just the electrical engineers and the mechanical engineers and a good salesperson. You need to know that the world is now digitally enabled and even we have – we're running a telemedicine service here in the state of California and we have patients that are well over 70 years old who are connecting to us through telemedicine. And so this higher world is now doing this most definitely and we need those different skill sets.

So when I looked across Cala and the team we have today, we have just over 50 employees, we have Ph.D. neuroscientists, we have Ph.D. data scientists. We have mechanical engineers and electrical engineers and all of that, but the profiles that we bring into the company now are much more around the digital ecosystem. To my team, I talk about us being a digital product. We talked about being cloud connected, but we're all working in a digital business model because all of our – everything we're doing with our patients is oftentimes through the internet, through email exchanges. It's digitally connected with them as well. So those to me, those kind of category creating opportunities are created when the skill sets around the table are breaking the mold and that to me is what's fun.

It's exactly what we did at Verb Surgical which is if it was just a surgical company then Ethicon could have done it themselves. J&J could have done it themselves, but because it was a robot and it had a whole cloud connectivity component to it and had machine learning we needed to have the best and brightest of talent that a Google or a Verily could access through their network. So it really was that combination of skill sets that became so exciting. This is actually what we're doing here at Cala as well.

Taren: It's so cool. It really is. It's a new dimension to healthcare when we start talking about innovation and where it is pushing science to go. It's really very exciting.

Renee: It is and I think also the one other thing I think when I think about Cala and words I use everyday is that we're a learning organization because no one has done this before. No one has the answers and so the great news is we get to celebrate the learnings whether they be good because we're having success or even if they're bad and we don't do that anymore. It's the learning organization that's really important to create.

Taren: Right. And that's the whole part of that breaking through and it is and that's exciting too is because you're learning as you go and there are no right or wrong answers. You're just trying

to figure it out as you go along and making the best decisions in the right timeframe that you can on behalf of patients.

Renee: Again, putting the patient at the center of our care model was priority one and so it's so exciting to see it come to life.

Taren: Well, I'm excited for you all. This is a question I like to ask all of our interviewees because I think it provides such an interesting context. Is there anything you know now that you wish you had known as you were moving up the ranks? If you could dial back that way back machine, what could you have told your younger self?

Renee: Wow. I would say probably in an interesting turn of events, I would say that my risk appetite has actually gotten greater as I've gotten – I don't want to say older, but I'll say as I've gotten more experienced in my career. Okay. So what I mean by that is in the older days either you were focused on not making the mistakes and doing things the right way, and I get that because you need to do that. I mean investment banking is a highly regulated industry healthcare. It's also a highly regulated industry and so you had to do things the right way, but now that we have this tremendous convergence across technology and healthcare and digital and all these various opportunities I lean much more heavily towards probably the riskier side of the equation and ultimately that was the decision I made in leaving J&J to come join Cala was to really to take the leap into a true startup and see what we could build.

And so I guess from my perspective, I don't know if you told me in those early days of my career that I would be so much loving swimming in the riskier end of the pool, but maybe I would have gotten to the startup land sooner if I've gotten more comfortable early on.

Taren: It's an interesting way you put that. It is taking a leap of faith to lead a company where you were quite happy at and to go and risk it for a startup and not everybody has the gumption to do that.

Renee: Well, I love this company, so yeah that's the other thing. I got five years of doing due diligence and sitting on the board and working with the team to build the team out so I was a pretty knowledgeable consumer when I came in for sure.

Taren: Well, it does make the leap easier, but still it's a leap still and it takes some bravery and courage to do that. So finally, tell me about an accomplishment or a wow moment that shaped your career.

Renee: You know what, God there's been a lot of them. I honestly remember the day that we actually got Verb started and funded and we had brought on a CEO, Scott Huennkens who had actually been at too at J.J.D.C. portfolio companies before. So he's well-known to J&J. He was hired and that first day when the wire funding came in we didn't have a CFO, and so I actually

was – don't tell anybody at J&J this – but I was the name on the original bank account for Verb Surgical. So literally we were – I was pressing go on the wire from one end and then insert and seeing it show up on the bank account on the other end. It was so rewarding to know that 15 months of just heavy, heavy lift and navigating the way between these large corporate parents of Google and J&J to bring something to life was incredibly rewarding.

It was the first time I really started up a whole new company and founded it. I went on and found – and Cala was the same summer – where we founded Cala and since then, I started another handful of companies, probably four or five more, while at J&J. But that you never forget your first time, and that first day I'm saying oh my gosh, we really did this. It was incredibly rewarding for me.

Taren: Not only rewarding, but a lot of fun. I can't even imagine the excitement that you felt at that time. It's so cool. Renee, I love speaking with you. Thank you so much for being part of our WoW podcast program. You've been wonderful.

Renee: Oh my gosh, I am so honored to be part of the WoW podcast. Thank you for having me. I'm so excited to get this out there and have people hear our story.

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