



Newsletter

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Introduction

September 15, 2017

Chairman

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SiG Leaders

Accelerators/VC

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AeroAstro

Thomas Dittler

AgFood Tech

Jaleh Daie

Blockchain

Basant Kedia

Digital Disruption

Aron Bohlig

Energy

Larry Kelly

Life Science/MedTech

Mike Bates

Rich Juellis

Luminary

Robert Kyle

Software

Ron Weissman

Heather Crawford

Wearables, Consumer & Semiconductor

Kurt Petersen

Bruce Walicek

Deal Screening Committee

Mike Bates

Juan-Antonio Carballo

Bill Loesch

John Ferrell

Chris Meyer

V.K. Rajaram

Membership Committee

Ken Arnold

Ed Bierdeman

Brian Frenzel

Pat Guerra

Craig London

Liliana Nordbakk

Mark Putney

Karen Riley

Deal Dinner

Date: Wednesday, Sept 20th

Place: Los Altos Golf and Country Club

Time: 6:15 PM - 9:00 PM

Second Look

Date: Thursday, Sept 21st

Place: The Bently Reserve San Francisco

Time: 12:00 PM - 3:00 PM

The Band's 9th Annual Portfolio Day will be on Wednesday, October 4th from 8:00 AM to 6:00 PM at Wilson Sonsini Goodrich and Rosati (650 Page Mill Road, Palo Alto). Portfolio Day is not a fundraising event, but rather a nice place to see what company after company has done after obtaining money from the Band. Please RSVP by September 29th (<http://bit.ly/2017portfolioday>). The current list of presenting companies is below, if you want to add someone to this list, we can try but this is your last chance! Please let Sonja know:

AquaHarvest	iSeeLoc	NGX Bio	Taulia
Bell Bio	Labdoor	Peloton	Thinnect
Crater	Materna	Practice Fusion	TinyKicks
iBeat	Nanotech Bio	Social Standards	VoiceBase

In addition to hearing from these companies, we will have four education sessions during the day: a speaker from Corporate Tax Incentives will describe how our portfolio companies can offset their federal payroll tax liability with federal R&D Tax Credits; Fidelity Charitable how donor advised funds turn illiquid angel holdings into liquid tax deductions; Larry Kelly on the Energy SiG activities; and Mike Bates will reprise the successful "small ball" investment strategy in Faraday Bicycles (April 2013 Dinner) with founder Adam Vollmer during a Fireside Chat.

In the vein of continuing education, thanks to Pat Guerra for starting a new program at the Band entitled: "The Art of the Deal". This will be a series of educational workshops about angel investing in general and within the Band in particular. Ron Weissman will kick off the inaugural event with a discussion of how to "lead a deal within the Band": socializing a deal, due diligence basics, deal term negotiation basics, valuation basics, preparing a deal memo, closing the deal, post deal follow-up. The second half of the workshop will include a panel discussion with Mike Bates, Larry Kelly, Manthi Nguyen, and Rakesh Sood moderated by Pat Guerra. The event is open to all members and will be held on Monday, September 18th at Carr & Ferrell from 12:00 PM to 3:00 PM. The needs, feedback and recommendations of the membership will drive the agenda of future Art of the Deal events, so please let Pat know (guerra@bandangels.com) if you have suggestions for future topics and/or if you would like to be a speaker.

There is a lot of interest in the investing community around deals related to Bitcoin, Blockchain, and Initial Coin Offering (ICO). To provide a place to explore this space a Blockchain SiG is being started by member Basant Kedia. Please get in touch with Basant (bkedia@bandangels.com) if you'd like to join the SiG and propose speakers, topics, deals.

We had an amazing Summer Party at the Woodside vineyard of Band member Craig London and his wife Margaret. They are inviting Band members to join the Annual Woodside Farm Vineyard grape picking and crushing party on Saturday, September 23rd. You will be able to participate in picking Merlot and Zinfandel grapes starting at 8:00 AM and finishing no later than 10:30 AM. Please RSVP by September 18th so that we can have an accurate headcount for Margaret's famous brunch. (<http://bit.ly/wine-crush>).

- Ian

Welcome New Members



Mark Belinsky has over 30 years of experience as an entrepreneur and operating executive at privately held and publicly traded software, services, and embedded technology companies. He has founded, co-founded, or had C-level roles at companies with products and services in e-commerce, educational services, digital rights management, supply chain traceability, and operating systems. Mark has been an active angel investor for the past 3 years, including investments in Band portfolio companies Tenacity Health, Kiana Analytics, and The Detection Group. He serves on the selection committee for Harvard Business School Angels of Northern California.

Mark has served as SVP and GM at video encryption and software e-commerce company Macrovision (Nasdaq: TIVO) and at haptics leader Immersion Corporation (Nasdaq: IMMR) in business unit GM, corporate development and business development roles. Mark joined Macrovision as GM of the video products division, and over an 8-year period led Macrovision's digital watermarking technology launch, its music DRM launch, its DVD copy protection technology launch, and its acquisition of software e-commerce company Globetrotter Software (now called Flexera) for \$800M. Mark drove the diversification of Macrovision from a single-product video encryption/copy protection company to a diversified software and services company, growing revenue from \$10M to \$150M over his time with the company. Macrovision went public at a \$70M market cap and grew to a \$5B market cap within four years. Previously at Immersion, Mark ran the mobile products division and built the business that today is a \$50M haptics platform and technology/IP licensing business. He refined Immersion's approach to monetizing its IP and participated in the negotiations with Sony Electronics that resulted in cash payments to Immersion of \$147M over a five-year period. Today trading under the symbol IMMR, Immersion has a market cap of \$250M. Earlier, Mark ran sales and marketing at UNIX OS company UniSoft, and served as SVP/GM at internet training and technology demonstrations company Interop, where he grew the company from \$1M to \$20M revenue over a four-year period, drove a \$23M exit, and launched the company's European operation in Paris.

Mark holds a B.A. in Accounting and Finance from Wayne State University and an MBA from Harvard Business School. In his free time, he enjoys playing competitive tennis and pick-up ice hockey, as well as biking and sailing.



Wade Luders has over 20 years of experience with startups and high-tech businesses as a technology consultant, developer, executive, founder, and law enforcement officer. Currently, Wade is also an active real estate investor. Previously, he ran a franchised senior care agency in San Jose, growing the business to multiple Bay Area offices with a staff of over 90 certified caregivers.

Prior to that, Wade was a Special Agent with the Federal Bureau of Investigation working on cyber crime and crimes-against-children matters in San Jose. He became the lead investigator for the San Francisco Division's Innocent Images National Initiative (IINI) at which time Wade was responsible for all aspects of the Division's IINI casework, from budgeting and reporting, case management and investigation, to indictment and prosecution in conjunction with the United States Attorneys' Office, often traveling across the country to testify in state and federal crimes-against-children investigations. In addition, Wade was a member of the FBI's Evidence Response Team that provides specialized crime scene services for sophisticated federal and state investigations.

Wade has a Bachelor of Science degree in Accounting from Santa Clara University. He has worked at a number of startups, attended the Founder Institute, founded an online kindergarten learning platform and now invests his time and resources to help other entrepreneurs succeed.

To attend any Band events, please RSVP to:
650.695.0400 or sonja@bandangels.com

SEPTEMBER 2017 PROGRAM

The Deal Screening Committee met on August 30th and chose from among the 47 companies under consideration the following deals: **PILOTLY**, sponsored by Band member Ron Burns, is a SaaS platform that enables professional media creators to optimize their content based on audience feedback; **ELEMENO HEALTH**, a "Best of Mentor Day" company, is a B2B SaaS "personal coach" for the point of care, uniting nurses, doctors, and staff with institutional best practices to improve outcomes; and **SWARMSALES**, sponsored by Band member Dave Krauthamer is a first ever marketplace that allows companies the ability to activate top tier sales professionals on demand.

PILOTLY will be presented by Founder & CEO James Norman (510-410-1542; jnorman@pilot.ly) and is sponsored by Band member Ron Burns (408-483-1701; rburns@bandangels.com). Pilotly is a SaaS platform that enables professional creators to optimize videos based on viewer insights. Their research solution is composed of two complex products, a multi-platform video portal API that screens content to viewers to collect feedback, and an intelligent dashboard that processes the data collected to surface valuable insights. Pilotly is the only research platform capable of testing video content on any device and within a variety of contexts. It can not only stream in full-screen format but also within the Facebook feed and Snapchat Discover. While screening it can also use front-facing cameras to monitor viewer attention and engagement. Pilotly also provides the question sets needed based on client goals. Then, by using proprietary algorithms, the Pilotly A.I. can benchmark a study's performance against similar content, correlate viewer responses with moments in the video timeline when appropriate, and curate report output based on client goals (measuring engagement, ad recall, etc). Today, Pilotly provides insights for consumer brands including The Home Depot, entertainment conglomerates like NBCUniversal, small cable networks including Ovation TV, and growing digital studios including New Form Digital. In 2016 \$55K in revenue was achieved and in 2017 that number has more than tripled. While the current position and growth opportunity ahead of the company is exciting, it is the story behind Pilotly that is the foundation for why it will succeed.

Fifty years ago, focus groups for media were created by the likes of ASI and Nielsen. Using handheld dials while watching, viewers turned them to indicate how they felt throughout a video. Creators pay people in local markets \$100+ incentives, lease expensive rooms, and pay pricey moderators to understand how content is being received by viewers. This was used for advertisements and television. Despite all the changes in the way content is created, distributed and consumed, today in 2017, they are doing the same thing. Hollywood wastes nearly a

billion dollars a year on content that never finds market success due to lack of viewer interest or proper distribution. Furthermore, advertisers do not have a representative way to test ad creative because it is not within the context of a TV show or social platform. This lead Pilotly to create the most advanced viewer insights platform in research.

James Norman, CEO, has been building companies online since 1996. He built one of the first video aggregation platforms, Ubi Video, learning to code in the process and eventually attracting an IP acquisition offer from a cable company. He has a rolodex of contacts in Hollywood which helped secure clients like NBCu. Hector Osorio, CTO, has had three exits, including an IPO as co-founder and Flixster's sales to WB while he was their lead developer. In addition, there are four other talented engineers and most recently Sales Director Samantha Marlowe (12 years experience in research sales) behind the company's vision. Pilotly was in the 500 startups Batch 16 and raised \$480K in pre-seed funding from Launch Capital, BlueNote VC and Galvanize Ventures. The current Seed round is \$1.5M, priced at \$7.5M, and all previous investors are supporting, as well as Steve Case.

ELEMENO HEALTH will be presented by CEO/Co-founder Arup Roy-Burman MD (510-220-1595, arup@elemenohealth.com) and was selected as a "Best of Mentor Day" company. Elemeno Health's B2B SaaS platform delivers a "personal coach" to the point of care, uniting nurses, doctors, and staff with institutional best practices, to build consistency and accountability, and improve outcomes.

With the rapid growth of healthcare best practices, there is an expanding gap between institutional knowledge and actual frontline practice. Inconsistency is the root cause of:

- Medical errors (the #3 cause of death)
- Inefficiencies and waste (\$150B to \$1T annually)
- Burnout (with a culture of blame: 50% of MDs/RNs)

Elemeno Health helps healthcare systems close this gap. The “personal coach” web-app is accessible from any device at the point-of-care. It connects best practice lost in antiquated systems (email, binders, websites, intranet) and across professions to any member of the healthcare team, when it is actually needed. Elemeno transforms complicated processes into bite-sized learning (smart checklists, interactive guidelines, and how-to video). Social drivers of recognition and gamification, together with real-time metrics, foster peer-pressure to drive adherence and adoption of best practices. User engagement and satisfaction by content type is tracked, creating deep insight for management into clinician behavior, and a feedback loop for content quality.

It works: a startup with peer-reviewed validation (American Journal of Medical Quality, 2017). At UCSF, the Elemeno prototype drove nursing engagement with central line infection prevention best practices. Over a period of one year and 9,886 line-days, the platform engaged 105 nurses resulting in 48% reduction of infections, with a savings of 3 lives, over 300 hospital days, and \$1.1M-- a >10x ROI. As presented at the American College of Medical Quality, in a subsequent ICU deployment for hospital-acquired C. diff diarrhea, clinician protective gear compliance increased from 75% to 95%, while infection rate dropped 85%.

It's easy: minimal IT involvement. Users access Elemeno through a browser. Their cloud-based webapp means no IT provisioning nor deployment. Start small with one unit/clinic, or scale quickly to enterprise. No PHI keeps it all simple--no HIPAA. And, it is branded for each specific customer hospital-- with access secured for their staff only.

Elemeno was founded in 2016 by Dr. Roy-Burman (former UCSF ICU Medical Director) and game developer Ed Nanale (20 year veteran; SimCity, EA, Lucas Arts). Key team members include Chief Nursing Officer Carole Klove RN JD (30 yr experience; former Chief Compliance & Privacy Officer, UCLA and Stanford) and VP of Operations Scott Cohen MHA (13 year VP at Athenahealth). Ready for commercial sale in 2017, Elemeno is live in multiple healthcare systems, and is already driving inter-institutional sharing of best practices. It is a YC company (S16), with an exclusive license for commercialization from UCSF. They raised \$335k in 2016. They are currently near closing of \$1.2M Seed for preferred equity, at \$5M valuation, led by institutional investor Launchpad Digital Health.

SWARMSALES will be presented by CEO Ankur Srivastava (510-364-4235; ankur@swarmsales.com) and is sponsored by Band member Dave Krauthamer (707-477-4505; dkrauthamer1@gmail.com). Sales is one of the last business areas that remains largely unchanged by technological advances. Even enterprise companies still rely on boots-on-the-ground sales teams to chase down leads that may end with a decision maker introduction after 3-6 months of working leads. The cost to recruit and train a sales professional averages over \$65K and the cost to replace a sales rep is reported to be \$115K, with \$36K due to training costs and \$50K in lost sales. The average tenure of a sales rep is 14–30 months. Given that it takes an average of 12 months for a new rep to match the productivity of an established sales rep in a given organization, a rep who vacates their position in 14 months has provided only 2 months of full productivity.

Sales reps who stay on with their employers long term don't guarantee that their employer's investment is returned. Successfully employed sales reps in 2015-2016 reported average levels of missed quotas at 42%. In the same report, rep turnover averaged 26.9% for inside sales positions and 25.7% for outside sales positions (26% average). Considering about 35% of sales reps are enterprise sales reps, this shows us that currently, it costs American companies \$9.9B dollars to replace enterprise sales reps who separate from their employer companies.

Swarmsales solves the problem of sales by creating a sales-as-a-service marketplace that allows seasoned, well-connected sales professionals to facilitate sales for Swarmsales' vendor companies by engaging their existing contacts. This allows companies to forego the cost of recruitment, hiring, training, retaining, and replacing sales reps. The platform facilitates training and sales assets for sellers to become educated on a company's solutions before facilitating introductions and moving the opportunity through the pipeline to closed status. Current pricing for a company to join Swarmsales is between \$1,000 - \$5,000 per month plus the cost of milestone payments and commission.

Swarmsales currently has 50 active vendor companies and over 1,045 sales professionals who have been vetted and granted access. SwarmSales was recently selected by AT&T to pilot SMB markets and will be launching a pilot at the end of September 2017. Previous fundraising was met at \$1.2M invested by Pierre Omidyar, and in this round Swarmsales is looking to raise \$1.5M.

“SECOND LOOK”

The “Second Look” Lunch will be on Thursday, September 21st from 12:00 PM to 3:00 PM at The Bently Reserve (400 Sansome Street, San Francisco). In addition to **Pilotly**, **Swarmsales**, and **Elemeno Health**, we will hear an update presentation from Band portfolio company **iBeat** (April 2016 Dinner), which is currently raising follow-on funding.

iBEAT will be presented by Founder & CEO Ryan Howard (415-609-7118, ryan@ibeat.com). iBeat is tackling the \$24B market currently dominated by the antiquated LifeAlert (remember: “I’ve fallen and I can’t get up!”) with their Heart Alert and Emergency Watch - a stylish, everyday wearable that continuously monitors the user’s heart for life-threatening stopping or slowing and with their Heart Hero Network.

The iBeat Watch is fully cellular (users do not need to pair it with Wi-Fi or a cell phone), and there is also a Help button users can press in a non-heart-related emergency, allowing them to select aid from their emergency contacts and/or 911, or notify nearby “heroes” on the iBeat Heart Hero network. In addition, users can have friends, family, and practitioners remotely check-up on the user to ensure that they are well, and also receive weekly updates on their heart health.

The market for Medical Alert Systems is defined by geriatric users (75+) of which there are ~19.5M in the US, and is projected to grow at a CAGR of 6.31% from \$14.98B in 2014 to reach \$21.6B by 2020 (Global with 40% in the US, resulting in \$6.5B US market size today ([source](#))). iBeat’s target market also includes boomers (52+), which increases the market size to ~97M potential users (5x) resulting in a ~\$32.7B TAM.

Major competitors, including Life Alert and Philips Life Line, offer antiquated pendant-based solutions, which hang from the user’s neck, making them unattractive and undesirable for users. The majority of these devices consist of a base station and a radio receiver with no sensors monitoring the vitals of the user, with the exception of a few which provide an alert upon the user falling. Action is required by the user to initiate a call for help usually a pressing a button, which then dials the vendor’s dispatch center.

Major hardware vendors in the wearable space, such as FitBit, Jawbone, and Apple, have barriers to entry, building new hardware that includes oxygenation and profusion sensors, cellular connectivity, algorithms to monitor exceptions in the user’s heart, contracting with multiple cellular networks, and response center staffing and technology, and no access to the iBeat Heart Hero network.

The company was founded by [Ryan Howard](#), the founder and former CEO of [Practice Fusion](#). Ryan founded Practice Fusion in 2005 and during his tenure raised more than \$160M from VCs such as Founder’s Fund, Kleiner Perkins, and grew it into the largest digital healthcare platform in the US. Upon leaving the company, Practice Fusion served over 110M patients and had a \$50M revenue run rate. The company is also comprised of engineers, product managers, data scientists, and marketing members who hail from Apple, Intel, Nest, Go Pro, and also worked with Ryan at Practice Fusion.

The company is currently working to ship the watches in February 2018. It will sell direct to consumer via their online storefront, and is also in discussions with Amazon, Target, Best Buy, and Bed, Bath, and Beyond to retail their product. iBeat will also use its partner endorsement with Dr. Oz to drive awareness on TV and in-store. When it launches, iBeat will apply ad spend toward direct-response TV and commercials, and supplement it with online ads, in-store displays, direct mail, and print campaigns (AARP, Good Housekeeping).

iBeat is offered for \$249 for the wearable and \$20/month for the ongoing dispatch service. For older users, life insurers will provide reimbursement for the monthly service, and potentially the hardware. Gross margins for the device are ~25%, and ~90% for the ongoing monitoring service.

The company has filed more than a dozen patents, recruited top-talent engineers from Apple and Intel, brought on a Chief of Clinical who is also a practicing cardiac electrophysiologist at the VA Hospital and Professor of Medicine at Stanford University. It also has a fully-functioning POD prototype that can detect simulated cardiac arrest and is working on EVT units with their contract manufacturer in China.

Prior investors include: 8VC, Band of Angels, Maveron, Correlation Ventures, Subtraction Capital, SV Tech Ventures, WTI, renowned angel investors Ali and Hadi Partovi, KKR founding partner Henry Kravis, Michael Rubin, Mark Burg, Barry Volpert (Crestview), Harald Ludwig, and cardiothoracic surgeon and host of “The Dr. Oz Show,” Dr. Mehmet Oz.

Recent Presenter Updates

Semplus (August 2017 Dinner) develops a multi-touch pressure sensor, designed to address and solve the needs of a 3D enhanced user experience across today's touch interfaces in automotive, mobile, gaming, virtual reality and desktop. R&D development is progressing and there are active discussions with several companies for applications in medical, digital signage and ATM kiosk. The discussion with the major German automotive Tier 1 are also continuing. Fundraising is moving forward with more investors committed to the round from current investors, Band members, and outside investors. Over \$400K is now committed of the \$700K round. First close should be in the next few weeks. Contact: CEO Alessandro Levi (alessandro@sempluscorp.com) and Band sponsor Paul Russo (paul@geosemi.com).

Daylighted (June 2017 Dinner), the Spotify for art. Daylighted sales are growing steady with new installations in France, Australia, and the US. They met with Marriott and Hilton, both of which are on a trial period and discussing brand deployment. Deployment with Accor started a week ago. Each brand deployment represents million dollars in contracts. Thanks to the Band recommendations, Daylighted realized the opportunity to protect their company with strong patents. They hired a CTO and worked on their IP strategy with Richard Pivnicka's Patent Agent (Geeta Kadambi), as well as Bob Zeidman, a patent expert, an art collector, and a close friend to a hotel chain owner. Working on it convinced Bob to invest another \$50K in the company and he will join the next due diligence call with the Band members to talk about the IP strategy. Over \$435K is now in bank, including Kima Venture. The round will close on September 29th. Contact: CEO Alex Cammarano (alex@daylighted.com) and Band sponsor Jean-Louis Bories (jlbories@gmail.com).

When Labs (July 2017 Dinner) is artificial intelligence technology for augmenting management. The company is in final stages of due diligence with the interested Band members and is asking for soft commitments at this time. For more information, please contact Band sponsor Juan-Antonio Carballo (jantonio@ieee.org).

Special Interest Group (SiG) Updates

Accelerators: will be hosting Office Hours at SkyDeck in Berkeley on Thursday, September 28th and at RocketSpace in San Francisco on Thursday, October 5th. If you would like to participate as a Band member mentor, please contact the SiG chair Sanjiv Taneja (sanjiv@bandangels.com) by September 15th. Additionally, SiG members will attend the Alchemist Demo Day in Mountain View on Tuesday, September 19th from 3:00 PM to 5:00 PM.

AgFood Tech Special Report: (open to all Band members and invited guests) The AgFood Tech Sig will meet on Wednesday, September 20th immediately prior to the Dinner from 4:30 PM to 6:00 PM at the Los Altos Golf and Country Club (1560 Country Club Dr, Los Altos). Jaleh Daie, chair of AgFood Tech SiG (jdaie@bandangels.com) will present a bird's eye view of global innovation in Agriculture and Food, gleaned from her research readings, observations, connections, travels, and a report on her recent trip to Europe: Sabbatical in San Sebastian: Seeking Spanish Startups & Stars of Symphonic Alchemy. Drinks and bites will be served.

Blockchain: Please get in touch with Basant Kedia (bkedia@bandangels.com) if you'd like to join this newly formed SiG and propose speakers, topics, and deals related with Bitcoin, Blockchain, and Initial Coin Offering (ICO).

Digital Disruption: will meet on Thursday, October 12th from 11:00 AM to 2:00 PM at the Band's office (750 Battery St, 7th Fl, San Francisco). For more information, contact the SiG chair Aron Bohlig (aron@bandangels.com).

LifeScience/MedTech: will meet on Wednesday, September 20th at Carr & Ferrell (120 Constitution Dr, Menlo Park) from 11:00 AM to 2:00 PM. For more information, please email Craig Pritsky (cpritsky@bandangels.com), as well as the SiG chairs Mike Bates (mbates@gmail.com) and Rich Juelis (juelis@sbcglobal.net).

Software: will meet on Wednesday, October 11th at Carr & Ferrell (120 Constitution Dr, Menlo Park) from 1:00 PM to 5:00 PM. To nominate companies and to RSVP, please contact the SiG chairs email Ron Weissman (weissman@bandangels.com) and Heather Crawford (heather@bandangels.com).

Wearables, Consumer & Semiconductor: will meet on Monday, September 25th at Carr & Ferrell (120 Constitution Dr, Menlo Park) from 1:00 PM to 5:00 PM. To nominate companies, please contact the SiG chairs Kurt Petersen (kurt.mems@gmail.com) and Bruce Walicek (bwalicek@bandangels.com).