



Interview with Omri Shor, CEO of MediSafe
by Pascal Lardier, International Director at [Health 2.0](#)
for the [EU funded GET Project](#).

*MediSafe recently raised \$6M in series A funding.
Omri says: "Investors care about two things: the product
market fit and the business model fit"*

Pascal Lardier: Omri, to start can you say a few words to describe your solution and what it does?

Omri Shor: For sure. MediSafe is an intelligent medication management platform helping people manage their medications correctly. When we go into details, we're a cloud and apps company. We have apps, iPhone and Android, that are synced together for a cloud service that we have developed.

In general, we remind people to take their medications. We keep a log of what they took and what they didn't take. And we're able to share that data back with physicians. The new layer that we've just added is a personalized feed that is dealing with more than just a reminder, it's now dealing with persuasive technology to make sure that patients understand the need to take their medications as well as the ability to track some measurements and vital signs inside MediSafe and correlate this with the medication that the patient has actually taken.

PL: Can you say a few words about your niche in digital health? How many competitors and what makes MediSafe different and better than other solutions?

OS: MediSafe is dealing with a big problem called medication non-adherence. The niche is actually patient engagement, specifically in the medication management space. There are hundreds of companies from cloudware companies to software companies to app companies. We've chosen to be mobile-first because we thought that this is the best place to help patients manage their medications mostly because we all engage with our smartphones so much and we think it's only going to grow. We have iPhone, Android, and we have smart watches now as

well. Some of that have already come, some of that are coming just around the corner.

In the medication management space in terms of apps, there are hundreds of competitors. MediSafe's first differentiator is the user experience. We're quite fanatic about user experience. We made sure that we are well-designed. MediSafe looks like a virtual pill Box. We have the design patent on the way that we integrate with the users.

The second piece that differentiated us from the beginning is our ability to sync via the cloud. We have the ability to sync family members. That means that if my father who is diabetic accidentally didn't take his meds, I get notified and I can help him get reminded and make sure that he takes his meds or at least that he thinks of taking his meds.

These were the first things that differentiated MediSafe. Currently, the most important thing that is differentiating us is that we've taken a personalized approach. That means that we've created a feed that is dealing with patient's condition, medication, et cetera. This feed is communicating to the patient how important it is to take his meds safely, correctly, that it would actually help him; and the ability to connect back to the healthcare system and back to the physician to make the physician more knowledgeable of the immediate outcomes of the medications that the patient is taking.

One other thing that is now differentiating MediSafe is that we currently have well over a million downloads of our solution with hundreds of thousands of active users. This is putting us in a position, I would say, in the class that just a handful of the medication management solutions were actually able to achieve. And this is accelerating, so we will see more of those users coming to choose MediSafe to manage their medications correctly.

PL: You have jumped ahead to my next question. The user experience, the personalized approach, this is what makes you different in the eyes of the users. This is why they're going to choose MediSafe rather than another solution. My next question is, specifically in your niche that you described with hundreds of solutions, what did you think exactly make a difference in your discussions with investors?

OS: Investors care about two things. Investors care about the fact that there is a product market fit. That means that patients are using our solution. The second thing that investors care about is that there is a business model fit. That means that our customers, pharmaceutical companies, are willing to pay us money for the use of MediSafe and for different things that we do with them. These two together, the growth that we've seen organically without investing money and marketing and the

ability to monetize users, brought them to the conclusion that the company has the ability to be a leading company or a leading solution for a multi-billion dollar problem.

PL: So then, the patients are using the solution and the pharma companies are paying for it. Can you describe your business model a little more?

OS: Pharmaceutical companies have the ability to work with us to bring MediSafe to their users and help us curate the content that would be brought to their specific users, -- that has to be educational content and not marketing materials -- and by that, to increase adherence to their medications.

Now, the issue of medication management is painful not only for pharmaceutical companies but also for providers, insurers, and patients themselves. We have chosen to start with pharmaceutical companies because we think that they understand the need and they have the means to work with us straight from the beginning. This was, I would say, a strategic bet - but it was a pure bet. And we're happy that this bet is actually paying off.

PL: What was most important to your investors, the "over one million downloads" or the secured business model and increasing revenues?

OS: It depends on your niche, I would say. For me specifically, it was the users. But I would say that it's very different. I have friends that have an app in the photo business. For those guys, there was no real future for the company if the company could not monetize. So the biggest challenge for them was how to monetize and not how to scale. They have five million downloads and they can't raise a Series A.

For us specifically, it was quite clear that if the company can scale, the company can monetize. So the most important thing for them was to actually see that the company can scale without investing millions and millions of dollars into doing that.

PL: How many investors did you approach to get to the ones that eventually funded you? Overall, did you find that they had a good knowledge of digital health to gauge the possible impact of your solution?

OS: I'll start with your first question, hundreds. Well over a hundred investors. In Israel, investors are quite accessible. I've had hundreds approaches, I've had many dozens meetings. Most of the investors were not knowledgeable of the space. So when one of the leading funds or one of the biggest brands in the world tells you that there is a true challenge and they understand the challenge of medication management but if you don't have more than five million downloads, it's not a series A company

yet, that means that they don't understand the space well enough.

It was a true challenge to find partners that understand the space, or on the other end, are eager to learn the space and help the company generate value. I'm very happy and thankful that we've chosen the right partners to work with us.

PL: Speaking of the right partners. You have approached investors in Israel, you've approached investors in Europe, and you've approached investors in the U.S., correct? Did you see some noticeable differences between the different regions? Were the American investors more knowledgeable?

OS: It's a very good question. Indeed, huge differences. I think that most of them come from the supply versus demand space. I have my first degree in economics so I think that it all comes from supply versus demand. The supply of startups in Israel is huge. You have to be very knowledgeable of the space because they have different alternatives for their money.

As opposed to the U.S., where when we came in we truly found that the U.S. investors understood the uniqueness of MediSafe and of the solution that we've built and the traction that we were able to get without investing huge amounts of money.

In Europe, though, I would say - excluding a few investors that we've met with - most of them are moving quite slowly. The pace that a startup company is running in should be met by the investors as well. If you don't move fast enough you will be left out of the rounds. And again, excluding a couple of investors that did move forward with us, one of the last ones that we actually considered for the current round, most of them are not moving quickly enough to work with an early-stage startup company. They don't understand the mentality.

European branches of global VCs understand the pace that the startup company is moving in and they are very keen to work with us. An investor that you probably know is XLHEALTH from Germany. Again, they move very quickly, very efficiently. It eventually didn't work, but the mentality was there, understanding a startup company was there. I have to flatter them for the speed that they worked and their preciseness. There were others as well, just a couple of them that I can get from the top of my mind.

PL: After approaching hundreds of investors and meeting with dozens of them, you must have fine-tuned your investor pitch. What were your key lessons learned? How did you evolve your pitch and why?

OS: Focus is something that is very difficult to do. Understanding the core values of the company, of the products, of the market,

and understanding the key message is something that takes time to perfect.

PL: Even for you as a CEO?

OS: Especially for me as a CEO. For a CEO to understand the fact that you have a lot of industry recognition, for instance. But this is not the core, most important thing for the company. This is something that you would maybe remove and put in the appendix, but you want to focus on the one most important thing. This is a very difficult thing to do: to understand what is necessary and to remove everything that is unnecessary from your investor's pitch.

It took us some time to understand that if an investor is knowledgeable of the space, you don't need to tell them about the space. These are things that usually take some time to fully understand, perfect the messages and perfect the importance of the solution. By the way, the differentiation of the company's worth, this is something that is not only required for investors but is required also for yourself. That takes a lot of ability, again, to clean everything that is not necessary out of the pitch.

PL: So the work that startups have to do is mainly cleaning up their pitch and removing what's not necessary. What would you say are the things that are absolutely necessary?

OS: I would say that a slide on investment return is a must. One slide on who the team is and why this team is going to take the company and become a huge success is very important. Then, what is your product and what is the problem that you're dealing with and what is your traction? I actually have today a first slide that summarizes every one of these in two words so an investor can see a concise picture of the company.

So we've got the traction, awards, successes, business model. And then, "the ask". It took me sometime to understand that if you don't ask or you don't explain exactly what you're looking for, you will probably not find it. This is not the slide to be shy on.

PL: What other advice might you give to health startups looking for funding?

OS: Maybe I'll start with a very short story. We've raised our seed series when we had an app in the market with dozens of thousands of downloads and thousands of active users. And then in discussions with a few customers, we were able to show that there are a few thousands people who are using and repeatedly using the solution that we've built. This was the anchor for a good story.

I think that many startups start raising money -- by the way, we did the same mistake -- when they have nothing that they have proven just yet. You can't come to investors with "I believe." As a first-time entrepreneur, you can't come to investors with a deck and the hope that they will believe what you're going to say. You need to come to them with a firm claim and with the beginning goal of a solution that is actually working. Then it's much easier to put some money on your venture.

PL: You've announced your plan to move your headquarters to Boston. Can you comment on this?

OS: Yeah. Well, the U.S. market is moving very quickly. It feels like the market is ripe for disruption. They are ready to accept the change. The problem is big. It's well-quantified in the U.S. And we understand that we want to focus our marketing efforts on the U.S.

As the CEO, you have to be where the biggest challenge is. If the biggest challenge up until today was to focus on a concise product and create a very good product, this is where the CEO should be, and therefore I was in Israel. Now, the company is moving to a next phase where the biggest challenge is to market and scale very quickly and we are about to do it in the U.S., the CEO should be there and choose the right people for their specific tasks. We've already opened our U.S. subsidiary. We've already hired a couple of people there and I'm about to join them in mid-March.

PL: You mentioned that what was necessary in the investor pitch was to mention the challenges and the awards that you had won. Did your participation in the GET Funded or the Health 2.0 events, and more specifically winning the Traction competition in 2014, make a big difference?

OS: This is all part of the story. Investors don't want to invest in companies. They want to invest in unicorns. They want to invest in the one unique company that can break the glass ceiling and be a huge success. I think that being noticed as a leader is super important. Both of these events as well as a few other prizes that we've won had a huge contribution to the story of being "a success startup", to be the unicorn that can change the world, and can change the way people manage their medications and can solve non-adherence.

I think that it's very important for a startup to be noticeable and to be memorable. These things truly helped us to be those two things. And this might be a good time to say, "Thank you."

PL: Thank you, Omri. We appreciate it. Is there anything else you'd like to add?

OS: In general, I think Health 2.0 has a huge contribution to the industry to lead the trend of patient engagement and consumer empowerment. We're quite happy to be a part of that, thank you again.

PL: Well, we hope to see you very soon either in Barcelona or in Santa Clara at one of our events. In the meantime, thank you so much, Omri, for your time.

To see a demo of MediSafe, look for Omri Shor on <http://www.health2con.com/tv/>

Looking for funding?

EC to VC is for you. May 18th, 2015 in Barcelona

This event is part of the [GET Funded service](#) of the EU-funded GET Project, designed to provide health SMEs looking for Series A or follow-up funding (typically between 0.5-2M€) with training, resources, and networking opportunities with investors at the European level.

If you are an investor and would like to receive an invitation, please get in touch with Pascal Lardier via pascal@health2con.com. If you are an SME looking for funding and would like to join the GET Funded service, please check our [investors' criteria here](#).

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