Transcript of Jean Anne Booth

Hall T. Martin: . [00:00:00] Well, hello, this is Hall Martin with Investor Connect. Today we're here with Gene Ambooth, CEO of Unaliware. Unaliware's Kanega watch is the only medical alert watch you can wear 24 7 that has fall detection.

With a patented quick swap battery system in the band, wearers never have to take the Kanega watch off to charge, and the company's patented RealFall technology is literally revolutionizing [00:00:20] the world. Uh, fall detection and response. Jean Anne, thank you for joining us.

Jean Anne Booth: Oh, thank you so much for having me, Hal.

Hall T. Martin: Great. So where are you calling from today?

Jean Anne Booth: I am calling from our factory offices in Austin, Texas.

Hall T. Martin: That's great. So you started Unaliware. Tell us more about your background before you launched [00:00:40] it.

Jean Anne Booth: Yeah, sure. So, um, it's actually kind of, kind of a long one. I'm an electrical engineer, with 30 years in semiconductors, including two semiconductor startups.

Uh, one of those sold to Apple, the other one sold to Texas Instruments. And then, funny enough, , after that I retired and, had a great, uh, retirement [00:01:00] for a couple of years as a dive master on a Liverboard dive boat. And that was absolutely fantastic. But then mom turned 80 and thus, you know, Unaliware was born.

Hall T. Martin: Great. So what excites you right now?

Jean Anne Booth: You know, for, for Unaliware, um, this has been an interesting journey, um, because we're, we're 10 years [00:01:20] old now. and the weekend of our 10 year anniversary was Exactly when, um, New York Times Wirecutter magazine declared Unaliware's Kanega watch to be the best medical alert on the go.

Not one of the best, the best. So, that's pretty [00:01:40] dang exciting. You know, something that, um, You know, when I started this company in 2013, the

Apple Watch didn't even exist. And here I am pitching, Hey, I'm gonna give you a watch that has cellular and Wi Fi and GPS and Bluetooth for hearing aids and telemedicine devices.

And you talk to it and it talks to you and a patented [00:02:00] quick swap battery system in the band. And everybody's going, You're crazy. But here we are now. I guess I'm not crazy.

Hall T. Martin: No, it's not like you're a pathfinder there in the technology world, getting out ahead of the curve, which what most startups do. And so congratulations on that.

Jean Anne Booth: Thank you.

Hall T. Martin: So, so [00:02:20] we have a lot of startup founders that listen to the show as well as investors. One thing I noticed is you were always very good about managing investors and your cap table and wanted to get your advice on how do you, how does a start founder manage their cap table through successive rounds of funding?

You've raised a good deal of funding [00:02:40] over the years from different groups, but what's your advice there?

Jean Anne Booth: Yeah. So, so, you know, the one advantage of having a long career is that, that I've seen lots of growth and change in the technology that supports. Um, serial entrepreneurs as well. I mean, you know, my first semiconductor company, our cap table was an excel spreadsheet.

And [00:03:00] let me tell you, that was hard. Um, we don't do that anymore. And, and for the semiconductor companies, we raised over 100 million dollars in venture capital. So, you know, we're not talking about little money here. Um, you know, only where has been different, um, silver tech, which is what we do, right?

Technology for older adults, um, [00:03:20] is not something that tend to play in. And so most of our funding comes from angels and family offices. And, so, as a result, the cap table has A lot of people on a lot of entities, actually, some, some people have multiple entities. And so, you know, we use professional tools like Carter to manage the cap table, [00:03:40] but even more important than that, when I talk to people who, look at the number of angels that we have.

Through the 21 million that we've raised for you, Nali, where over the last decade, and they're like, Oh, my God, that must be horrible managing all those people. And, and actually, I disagree completely. It's it's [00:04:00] not hard. If you do it, right. And what has worked for me is, every single month. And I mean, Every single month since we got our first funding in September of 2014, I do an investor report for all investors.

So it's a, it's a one pager on the business and then full financials. So, you know, P and [00:04:20] L, um, balance sheet cashflow. And then as we started selling, there's three pages of, you know, key marketing and sales, uh, KPIs that go with it. And so every single month, everybody knows what's going on. And The advantage that that brings is that because we're looking in this case as an, as an [00:04:40] angel group, being able to say, , you know, Being able to create that relationship with everybody because they hear from me every single month.

The good times, the bad times, it allows us to build a relationship and to build trust. The number of times that our angels [00:05:00] have come back and kept Unaliware alive, I mean, I can't even count. Right? And the reason they did it, I think it's not that I'm great. It's not that that our technology is great, although the tech is great, but I really think it's because I do that investor report every single month.

And so everybody knows what's going on. [00:05:20] And so they're not sitting there worrying about whether or not their investment is going to be appropriately managed.

Well, that's great.

Hall T. Martin: You're very good about keeping the investors up to date, which has benefits down the road for follow on funding and support and so forth.

How many people are on your cap table right now?

Jean Anne Booth: I don't know the number [00:05:40] of people. Um, because, you know, some entities on the cap table are in SP LLCs, right? special purpose LLCs. you know, some angel groups, for instance, will invest as, as an angel group. Um, other angel groups, the, angels who, In that group who choose to invest will in invest as [00:06:00] individuals.

And then some individuals invest through multiple, um, funding entities that they may have. Right? So they may have a, a living, will trust and they may have a, you know, another trust. And another, I, I have one investor who's got five trusts on the cap table, . So, last I counted. It's 165, [00:06:20] 175 ish, um, entities on the cap table, but you know, frankly, I mean, the limit for going public is 300, so we're fine.

Right.

Hall T. Martin: Well, you've worked with VCs and angels, how would you contrast and compare working with both of those groups?

Jean Anne Booth: You know, they are really, really different, [00:06:40] you know, the, the things that, There are a lot of things about VCs that, most Entrepreneurs don't really understand, and that I didn't understand early on when I was working with VCs, and I think one of the most important is, especially if you're going to be leading in a technology development where it is possible that it could [00:07:00] be a decade or more, um, is understanding the fund structure of a VCs.

So, so usually a VC fund is a 10 year entity. And so when a VC invests, you need to be asking as an entrepreneur, when did this fund opened? And when is it's closed date? Because you need to be, [00:07:20] um, exited by that closed date, or they're going to exit you, they'll, they'll actually sell the company, even if you're not ready.

Right? that's super, super important to understand. and actually, You know, I didn't set out to fund, you know, only where through angels, but in this particular case, I'm really glad [00:07:40] I did, because if you think about it a decade ago, the apple watch didn't exist, right? so the development that we've done, it's our hardware, our software, our cloud, our AI is, true full R and D, and it has taken us a decade to get product market fit.

But as. You know, [00:08:00] said by the, the Wirecutter magazine, you know, we're there, but golly gee, if we had done a VC, we probably wouldn't have gotten here and we wouldn't be saving the lives we're saving today.

Hall T. Martin: So, so there are different paths of fundraising. VC is one. I think that's the one people go to because they have the highest profile, but they're not the best fit [00:08:20] for most anyway.

Then there's angels. And what are the other different paths you found for fundraising out there?

Jean Anne Booth: know, sometimes there's kind of different. Looking at angels, right? Some is angels as individuals. some is angels as angel groups. and then there's family offices and the hard thing about family [00:08:40] offices is, first of all, figure out who they are.

but second of all, they're very, very different, right? And so, so that big difference between a VC and an angel or a family office is a VC is. Always investing some somebody else's money, right? And an angel or a family [00:09:00] office is investing their own money. And so, so VCs have, you know, hard line theses.

You know, we, we raised money from the limited partners saying we were going to invest in this, that and the other technology or space. And that's all they can do by the LP agreement. With an angel or a family office. [00:09:20] It's whatever makes sense to them. 'cause it's their own money. so that's a different discussion, when you're talking about what it is you're doing.

'cause sometimes, especially if there's an impact, aspect to what you're doing, like for, for ware, right? We're saving lives for independent, vulnerable people. If there's that impact [00:09:40] piece, then that may make somebody invest where they're. The reason for investment is they think that this is going to be successful in actually creating the positive impact that they, they think is important in the world.

Hall T. Martin: And how would you characterize a family office? How are they different from angels? [00:10:00]

Jean Anne Booth: Oh, goodness. Well, of course, it all depends on the size of the family office. But, um, sometimes the family offices... You know, actually look a lot like VCs. I mean, they're full offices with full time, um, fun, you know, fun management people and due diligence, you know, assistance and things along [00:10:20] those lines.

But I think the fundamental of a family office is if you've seen one family office, you've seen one family office. They're super, super different. You know, I mean, I have seen lots of very different family offices.

Hall T. Martin: Well, you, you raised quite a bit of funding. So I think you have probably the [00:10:40] best fundraising skills of anyone I know in the startup world. Uh, how do you manage the fundraising process? What was your advice or process that you can share with others?

Jean Anne Booth: You know, um, Goodness, I mean, just like a cap tables.

We have so much better tools now with full CRM. So, you [00:11:00] know, pick your favorite CRM and you should be using that. will admit, that, In Unaliware, my expectation actually was that as a successful serial entrepreneur, that I would actually attract VC funding for Unaliware. and so, when I did the first funding through Angels, I [00:11:20] didn't start with a CRM.

And it was, Pretty far along before I actually finally started putting everything in a CRM, I had all of these sloppy little Excel spreadsheets everywhere with, you know, you know, here's your follow up action. And here's the last time you talk to them. And here's what you did. It was an email or voicemail or whatever.

And, I don't recommend that [00:11:40] that strategy, but, uh, but, but, yeah, you, you actually, you really need to look at it as a full campaign And you also, just like the, you know, the investor report that I send every month, if you think that there is, an entity that might fund you and, it's just not the right time for [00:12:00] them, but you think that they're otherwise they're aligned, it's just timing is not right, then you should occasionally just kind of, you know, Send them an email.

Hey, here's what's going on. By the way, did you hear that New York Times, you know, um, that kind of thing. So, yeah, truly is a process. and I think, you know, when I talk [00:12:20] to, newer entrepreneurs, especially who are fundraising from angels, I think they get this perspective that, you know, I'm going to talk to an angel and they're going to write me a check tomorrow.

Or, I'm going to do a pitch and I'm going to leave with a check. And so, let me just give you a little data. So, 21 million dollars into [00:12:40] Unaliware. One person wrote me a check at a pitch. One person. 50k out of 21 million dollars happened in a pitch. So that is not the way it works. So the average angel raise is four months from when you pitch the group until you're going to [00:13:00] be getting money.

So you got to be actually looking at that. and, you know, just like you tell your salespeople, right, ABC always be closing. You need to be always be raising. so the other suggestion, if you end up. Doing something that is going to be angel funded, whether you [00:13:20] realize that in the beginning or not, the other thing that has worked for Unaliware is that when I write a new round, it's always a rolling close, not an escrow.

Okay, because the timing of each angel group coming in is going to be different, right? And they've all got their own timelines. And so [00:13:40] usually I always have a round open and then when we've hit a new milestone, I close that round we open a new one, right? So, always be raising. That's all I can say.

Hall T. Martin: And yes, fundraising is a sales process and the tools today are much better than they were many years ago.

So it's good to see that [00:14:00] progress help as well. But let's switch gears and talk or go back to talk more about the silver tech industry where Unaliware lives. And let's talk about. That from the point of view of an investor and a startup you see lots of startups out there and lots of investors What's your advice for people investing in startups in the silver tech space?

Jean Anne Booth: [00:14:20] Oh goodness gracious So if you're investing in silver tech, so I have to actually back it up one step So I don't know how you probably know off the top of your head How many trillions of dollars are invested in venture capital of know every year? It's it's a T I'm pretty sure Right? Or it'd be maybe [00:14:40] close

Hall T. Martin: to that.

I think it's down a little bit now from the pandemic. But yeah, it's close to that.

Jean Anne Booth: Yeah. So, so the total amount of money in venture capital dedicated to silver tech is 72 million. That was an M, 72 million. It's three funds, [00:15:00] a 20, a 20, and a 32. And so, the challenge with that is that that means that, you know, if you're listening to Hal's podcast all the time, you understand venture capital math, right?

VC math. so the challenge with a 20, a 20, and a 32 is that they can [00:15:20] only invest in software. Now, the challenge of being an older adult is the maladies of aging. Can't see, can't hear, can't touch, but other than that, they're perfectly fine. So, so, the challenge of Silvertec is really if you're going to make a difference, you probably have to do a physical product.

[00:15:40] Which means if you do the VC math thing, you probably need a 300 to 500 million dollar venture capital fund. And, and there aren't lots of those these days, right? We still kind of have this little gap in between, you know, the, the micro VCs and then, you know, Sand Hill Roads. I don't know. NEA funded my [00:16:00] last semiconductor company, and I think now they're funding out of two six billion dollar funds.

I'm not sure. I don't even keep up anymore. But, So the challenge becomes, making sure that you are investing in something that you think is actually going to go all the way. And, of course, the challenge with a physical product [00:16:20] company is that they tend to be very binary. They're either successful, Or they're not at all.

And, you know, one of the reasons VCs love software is that, you know, pretty much everybody will exit for at least a little bit. So, you're not as likely to lose everything. and that's not really the case of a physical product company. But [00:16:40] again, Let's go back to the impact statement. If you think you're backing the right team that has the skills and the tenacity to actually make it happen, if what you want to do is impact Silvertac, then it's probably a physical product.

Because It needs to be loud. [00:17:00] It needs to be seeable. And what people don't understand is that as seniors age, or as people age, the chemical signal in the back of the brain that says, I'm thirsty, quits working. And so seniors are chronically dehydrated. And if you add any kind of a mobility challenge to it, then they [00:17:20] intentionally make it worse.

The consequence of that is that you lack the galvanic skin response that powers touch. So if you've ever seen an older adult with their iPhone or their Android phone, and, and they're, they're like pressing down on the glass so hard, their fingers all bent back and everything, and, and people tend to think, oh [00:17:40] my god, you know, they're just, they just don't get technology.

That's not it. Actually, if they just licked their finger, it worked fine. But they're dehydrated, and that's why the Kanega watch does speech, not touch. And that's why the display is a bright white on black, because of glaucoma, visual acuity issues, macular [00:18:00] degeneration, so it's a different product in the space.

So, sorry, I wandered off, but to go back to your question, if you're investing in this space, I think the first thing to remember is to understand, what are the challenges of aging and to, um, Seriously think [00:18:20] about , what is it actually that an aging person might look like because we have these cultural biases that when we say older adult, you know, you get this mental image.

There's this old woman tensively staring out the window, worrying about money, her walker or cane by her side.[00:18:40] Just so you know. There's over 60 million adults above the age of 65 in the United States today and less than 1 percent of them are that image that I just created for you. Most of us are entirely active.

I'm still an endurance triathlete and I'm one of those adults, right? So, You have to get [00:19:00] rid of your biases if you're going to invest in this space as well. Well,

Hall T. Martin: great. That's good advice. And then on the other side of that table, what about startups or founders who are starting silver tech companies?

What's your advice to them?

Jean Anne Booth: I hope you have a lot of tenacity and the ability [00:19:20] to, um, you know, do the marathon. And not the sprint, because it will be a marathon.

Hall T. Martin: Well, I think a lot of people look at the boomers or the, uh, people in this category as being wealthy and having a lot of money to spend on things. But what's, what have you found is the reality out there?

Jean Anne Booth: Actually, that is the reality. And in fact, it's [00:19:40] not just the boomers. Right? The, the, the 60 plus population in the United States controls 64 percent of our wealth in the United States. So, I mean, again, we go back to that cultural bias, right? The cultural bias is you're old, therefore you have no money.

And that's just not true. [00:20:00] Right? The other cultural bias is you're old, therefore you won't buy anything. That is just not true. 119 of the 123 consumer purchasing categories are actually dominated by the 60 plus category. 119 of 123. Right? older adults are 24 percent of the population of the [00:20:20] United States today.

It is the biggest green field that venture capital is not playing in. And I have, I have one, investor friend, , she's not invested in Unaliware, but You know, when I've talked to her about this, she says, the reason that VCs won't invest in silver tech is because nobody's made it [00:20:40] big in silver tech, because the assumption is medicare is going to pay for all of this.

And the truth of the matter is medicare doesn't, they don't pay for this stuff, their fee for service. And so, um, what I've told her is, you know. Given the demographics, given the economics, given the reality [00:21:00] that in just a few short years there are going to be more people above the age of 65 than there are below the age of 18 in the United States, we have to have solutions that allow us to age independently.

And so somebody's going to make it big. And my hope for my investors is it's us.[00:21:20]

Hall T. Martin: Well, we certainly see that in therapeutics. You can't watch anything on streaming or television anymore without having at least three commercials come up offering a therapeutic for the 60 plus crowd. So it certainly seemed like it's working there.

I guess it's just the hardware sector that's a little bit behind as far as it's not as capital efficient. But [00:21:40] I'm curious is your thoughts on that. Do you think as more money is there typically venture capital follows the money seem like they'd be following the money into the space in a bigger way?

Jean Anne Booth: Well, I mean, you would think that, but honestly, I think, I think there are a couple of challenges. So the first one is, is the, the cultural bias piece, right? So you have to have [00:22:00] somebody looking at the economic argument, who Actually understands, right? Who takes that image of the old woman staring pensively out the window and throws that away and actually looks at the older adults that they know who are active, who are traveling, who are going to the, to the shows, to the operas, to the, to the concerts.

, [00:22:20] I mean, God, have you seen a pink concert lately? I mean, it's just, you know, it's me and all my peers. but anyway, you have to get rid of that bias. And then the other piece about it is that you, you have to find, you know, you have to find something that you're willing to understand from [00:22:40] a, um, from a manufacturing perspective.

Again, you're going to do it in a VC side, you kind of have to have that fund in the right. Right range and and we're just a little shy of that particular range of funds.

Hall T. Martin: I see Well in the last minutes that we have here today, what else should we cover that we haven't?

Jean Anne Booth: I have [00:23:00] one piece of advice from my best friend, that through the marathon that has been, you know, OlliWare, has really gotten us to where we are as the best medical alert on the go.

And, and so I wanted to share that with everybody. And, and it's this. It's the question of [00:23:20] if you're an entrepreneur, or if you're an investor, and the question is, Do I keep going? does this company keep going or do I stop now or give up? and the way to answer that is do I still have paths to go down? [00:23:40]

So is there another strategic I can talk to? Is there another angel group I can talk to? Is there another VC I can talk to? And if the answer is yes, there's another path to go down.

Hall T. Martin: That's good advice. I appreciate that. Uh, so how best for listeners to get back in touch with you.

Jean Anne Booth: Um, they can [00:24:00] get in touch with, uh, me through Unaliware and our, and our website. So it's U N A L I W E A R dot com. And, and I would also say I should probably explain where that name comes from because it's not very normal.

Unali is Cherokee for friend. And Kanega is Cherokee for speak. So we're the [00:24:20] friend who speaks to you, um, and if you look at the picture of my mom on our website, um, you can see that, that, uh, my mom, who was a model, you can see our, our Cherokee heritage in, in her very well. I'm kind of the spinning image of my dad's sister, but there you go.

Hall T. Martin: Well, great. Well, we'll include that in the show notes. I want to thank you for joining us today and hope to have you [00:24:40] back for a follow up soon.

Jean Anne Booth: Thank you very much for having me, Hal.