



## Stanford eCorner

### Live for the Future and Survive Success [Entire Talk]

Mark Forchette, *OptiMedica*

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As CEO of OptiMedica, Mark Forchette guides the company's continuing efforts to successfully deliver innovative medical technologies to market. In this lecture, he shares entrepreneurial lessons learned throughout his career, and discusses the importance of setting objectives and executing tactical plans. Forchette also touches upon the value of thorough preparation and overcoming early failures.



#### Transcript

Thanks. Good afternoon, Stanford. How you guys doing? So number one let me begin by thanking Tom for that introduction. I got to meet Tom in 2007 because his brother, Brook Byers is the Chairman of our Board in OptiMedica. So I met him that way but also met him through the Mayfield Fellows Program. We actually have a couple of Mayfield fellows that are with OptiMedica sitting right down here in front and it's fantastic program and Tom and Tina say that we've done a wonderful job with it. So Tom asked me to speak about entrepreneurship and leadership, that's exactly what I'm going to speak to you about this afternoon but I want to make a foundation statement first and that is that when I was in college, I was an absolutely lousy student and as a matter of fact when I interviewed on campus, I developed this kind of novel little technique, at least, I thought it was novel. When the interviewer asked me for my resume, I would flip it over face down and slide across the table and say, "Listen, why you and I just talk for a little bit?" Because I didn't want to look down on my GPA. And something must have worked about it because I manage to get a great job on campus and that launched my career and somehow I wound up here today. So what I'm going to do today is share a number of things with you about my lessons that I've learned about entrepreneurship and leadership.

As I was thinking about framing this talk, I was trying to think how to do this and convey some things to you that might be really helpful and there's a great book by none other than Stanford's own, Tina Seelig. It is called, "What I Wish I Knew When I Was 20". How many of you have read this book? So it is fantastic book. I absolutely love it and as I was thinking about how to frame this today I thought you know that's kind of what I want to frame as pass along some of those lessons to you today. So I thought what I do is give you a little bit about my background and then give you a little bit of background about OptiMedica and some of this crystallized lessons I've learned over my career about leadership and entrepreneurship. So let's get going and Tom gave you actually a really good rundown on my background. So that was, that's really good. I was born in South Alabama as he mentioned and I went to school, Auburn University. I got a degree in Marketing and I got my first job through the placement center on campus. I interviewed with company called "Armour-Dial".

It's a consumer products company and I got a job as a field sales representative. Fantastic, great first job. I got into for a couple of years and I really enjoyed it. I learned a lot about business but you know what? Also realized that's not what I wanted to do with my career. I really wanted to be an entrepreneur. And so, I kind of squirreled away a bunch of money and after a couple of years in this position, I went into business with two college buddies of mine that had founded a company called Donnelly Communications. And so, I joined them as a partner and Donnelly Communications was a nationwide 800 answering service. So you look in the Wall Street Journal, you see a full page advertisement that asked for direct response. It has an 800 number at the bottom and we would handle the direct response. We maintain a call center 24 hours a day, seven days a week, and then we send the leads to the company.

And so, this was a great experience for me. I learned a lot about business. I learned an incredible amount about sales in that position but there is one problem. I was absolute because there was a boost, we financed it out of our own pocket. I was absolutely starving to death. So I made a decision to go in surgical sales and I joined the company called Grieshaber. Grieshaber is a fantastic company and it's 85-year-old Swiss surgical instrument company, hand-held instrumentation, kind of the Rolls Royce of ophthalmologists, exquisite craftsmanship just astounding. I spent 14 years at Grieshaber, starts as field sales representative. I worked my way up. I wound up running the US organization and one of the great things I learned in that experience, that 14-year experience is that product development done right by a company working with physicians is kind of a symbiotic relationship.

It is incredibly rewarding. At Grieshaber, we did that very well. We launched hundreds of new products during that 14 years and I learned a lot about that, that interacting with physicians and I kind of got addicted to it. I mean, it just was unbelievable in terms of personal reward. So we gained a great reputation enough so that Alcon Laboratories, \$7 billion Alcon at the time division Nestle now - Novartis. Alcon acquired us in 1998, asked me to come to Texas which I did, integrated Grieshaber into Alcon. And this was a much different experience for me because of much larger company at the time, I think, they're like 11,000 global employees and Alcon was once again another great work experience. I spent almost 10 years there. And Alcon is an incredible culture, wonderful people. I absolutely love working there.

It was a place where we had tremendous success. I have the highest respect for that company. And I thought I was going to finish my career there. You know, massive market share gain. I felt like I had tons of wind in my sales, lots of momentum in my life and my career and I thought I would never leave and never leave the company but not so fast because that entrepreneurial urge was kind of still there. I tell you why in a minute. In early 2007, Mark Blumenkranz, Dr. Blumenkranz of Stanford approached me and he said, "You know, company that I founded OptiMedica, we're looking for CEO and you should be that guy." And I knew Mark for 20 years. I was in this great career that people never leave and I say very respectfully, "Of course, I'll think about it, Mark." And so, I was just a little bit being polite and then Mark sicked Brook Byers on me. And the second that I met Brook and I met Craig Taylor and I met the people at OptiMedica that I could meet, I was really compelled to make a change and made the decision to be the OptiMedica CEO.

So I told Brook when I made that decision, I said, "Man, 23 years in one place I'm going to have to clear my head a little bit." And the people here that know me know that I love cars and I'm kind of fanatic about it and I said, "So when I made this transition, I'm going to drive from Texas and getting my car. I want to drive down Route 66. I want to drive from Texas to California. Take three days and clear my head." And so, I did. So June the 2nd 2007, I started driving across the desert kind of racing. I think 84 there, that was the slowest I went the whole time. But about halfway through the desert, I've found myself asking, "What, this making me do it? Why am I doing this?" I mean, this is absolutely feel like absolutely kind of crazy to leave such a great thing and do this. Well, there are a couple of reasons. One is that element of being in medical devices having breakthrough technology which I'm going to tell you about is really compelling and that was really exciting, OptiMedica's technology. The stuff that you could see at the time was really exciting.

The stuff that was in the lab that was not ready to go yet was incredibly exciting breakthrough technology. So that was one. The chance to work with Brook, work with Craig, work with Mark Blumenkranz, Zenia Lanker, people at Stanford, George Marcelino was really kind of the only guy at the time I knew in OptiMedica, excited about all of them. But there was another piece and this was kind of the tipping piece that as I was driving the car, there was this haunting lessons in life, things that I'd experienced that are kind of early age that made me say, "I've got to do this." And I'm going to share this with you in a second but before I do, so the first thing was technology that I had to have that. So I'm going to share with you a little bit about OptiMedica, what the company is all about. So OptiMedica was found in 2004 and it was intended to address ophthalmology broadly. These are the founders - five people that's Mark Blumenkranz right there and they intended to address retina, glaucoma, and cataract surgical instrumentation, femtosecond laser cataract surgical instrumentation, a category that had not even existed. So that was really compelling. The very first thing that we did in OptiMedica was license pattern scanning laser technology from Stanford and that became PASCAL pattern scanning laser and there is nothing short of a revolutionary treatment for diabetic retinopathy, retinal disease. With each foot pedal depression of the laser, 56 spots were delivered to the eye much less power, much less collateral damage, a much more comfortable patient experience.

So this was a really fantastic product that really changed the way retina lasers delivered. And we had achieved some fantastic milestones. In three and a half years, we sold more than 600 systems and 40 markets around the world, treated more than a million patients, delivered more than 40 million patterns to patient's eye successfully. Some great milestones and that was successful enough that it caught the attention of a distributor of ours and some major markets, Topcon Medical. And last year in August, Topcon acquired the retina-glaucoma part of OptiMedica. So they acquired our only revenue-generating business which is a great win-win because they got this revolutionary portfolio of products. It was great for them. We felt good about it because they were great partner. We were able to then also to turn our attention solely to that femtosecond laser cataract project that had been kind of stewing in the background since the founding of the company. So that was a fantastic thing for us and when we were thinking about femtosecond laser cataract surgery is that next step.

Number one is a huge market. Does anybody in here know how many cataract procedures are done globally per year? Anyone who want to take a guess? Quiet room. Fifteen to sixteen million procedures per year so we're aiming at a really large market and we asked ourselves sort of aspirational questions: what if we could combine innovative imaging with the precision of femtosecond laser? Could we deliver precision in surgery that could improve patient outcomes? Could we change the procedure and improve the visual benefit at the end? And you know what, there's some opportunities because traditional cataract surgery has its challenges. What you see here is kind of the way the procedure is done today with manual instrumentation. So this is the forceps, that the physician punctures a hole in the anterior capsule and then they manually - they're trying to tear a perfect circle, this is like cellophane. They're trying to tear a perfect circle of cellophane with the forceps. It's absolutely - it's like the power steering on one of my old cars. It doesn't work very well. So it can be out of round. These are things that can be out of round.

It can be larger than the target that you intended. As you're doing this, you might get a big remnant or a tag or you might be making the tear and it go totally out of control in around the equator which is adverse event. So the reason they try to gain access this way is because they need to get to the cataract in the natural human lens and they use this ultrasound device here and they pulverize it into little pieces and aspirate the nucleus cells so they chop and segment it. As they do that, they can break that capsule that's on the backside, that's an adverse event. So you create this opening in the lens. The physician then implants an intraocular lens. It's an implant that stays in the bag and it's made of like an acrylic material and the objective is to have it perfectly sit because that bag shrink wraps around the lens. But what can happen is if you don't line those up properly, it can go out of sync. It can tilt, shift, de-center and what happens when that occurs is the patient gets less than a perfect visual outcome. So real simply, that's one of the challenges and that's what we intended to address with the catalyst precision laser system.

This product is not on the market yet but it's going to be. This is what it does. It uses precise femtosecond laser to create the circular cut, precise size and shape. It uses femtosecond laser to dice this into easily aspiratable cubes that the physician can use without ultrasound, makes precise incisions here in the cornea to address astigmatism and then it provides multi-plane incisions to enter the eye with that ultrasound device. So this is pretty spectacular technology and we believe it delivers precision that will change everything. Now, it's kind of a big statement but I think this is a landscape shift in this surgical procedure. By replacing those manual steps, we're going to take cataract surgery to an entirely new stratosphere. I mean, I can see everything getting re-thought in terms of the things we are used today which is really exciting. I think this is the driver of the new standard. What you wind up with ultimately is this implant with a precisely positioned capsule, precise alignment postop procedure.

So it's really cool. So that's what OptiMedica is thinking about every day. That's the technology. And so, as I'm going to work every day and have this highly-energized team working on this technology, working and is really excited about what we're doing. I found myself constantly every day managing the day-to-day things and I'm drawing on lessons that I've learned throughout my life, things that I've learned about being an entrepreneur, things I've learned about leadership and I say so far because I'm sure every day I'll walk away with something else that I learned. So let me tell you about lesson number one. In lesson number one is year between my senior year high school and my first year college and I was a desk clerk in the summertime at the Howard Johnson's Hotel on the interstate. Now, I kind of like that job as a kid because you got to wear coat and tie for this, kind of cool. Now, it's not. But I was a desk clerk in the Howard Johnson's and one summer night, car pulls up in front and this well-dressed gentleman walks out and walks in and I asked him to sign in.

I put the card in front of him, and then he reaches out and picks up a pen and wrote his name and he wrote Ray Kroc and I stopped him and I put my hand down. I said, "Not the Ray Kroc that found the McDonald's." As 18 years old, it's funny some bizarre coincidence just like read an article like three days before about him or I probably wouldn't have known who he was and he said, "Yeah, that's me." And man, I couldn't believe it and I thought what an opportunity to talk to him. So I just hammered him with questions and so he said, "You know what, I'll tell you what I'm going to go put my stuff down and I'll come back and I'll sit down and talk to you." Yeah, right. So, but he did. He put his stuff down, he came back and walked in the lobby, sat down and talked to me. And I remember this remarkable conversation and when he walked out of the door that evening, I remember thinking, "Man, I want to do what that guy does. I want to be a CEO. I want to create a culture. I want to create a company." And it had this huge impact on me. And so, the rest of my life in my work career, every day I'm making decisions.

I'm thinking I want to do that. So lesson number one, know what you want, set your objectives. I promise, you'll achieve it. I promise. Lesson number two, you must have passion. Now for this lesson, I'm going to go back to when I was interviewing on campus at Auburn. And every week, companies came in and they'd put their names up and you see who you want to interview you and sign up and I saw this company, Armour-Dial. Yeah, Armour Dial. Wow, I love their products. So I want an interview, so I signed up.

And I went in to the interview and shook the guy's hand. I sat down and he started asking me the usual questions. In about midway through, he said, "How much do you know about our company?" And I say, "Are you kidding? I love your product. I use

them every single day." And he said, "Really? How is that?" And I said, "Well, everyday that I've been a senior here at Auburn for lunch, my lunch has been a can of Armour Vienna, six Saltine crackers, and a Miller Lite. And he kind of laughed and he said, "You mean, you really eat this stuff?" And I said, "Not only that, I absolutely love it. I would love to sell your product." Now, I knew nothing about sales that time, absolutely nothing but I had a lot of passion for Vienna sausage and beer. And so, that passion got me my job. That was a really big lesson for me when I learned that and that enthusiasm has a big role in success. Technique, skill, yes - enthusiasm plays a big role. Lesson number three, absolutely no matter what you do, you must learn how to sell.

A lot of people think that sales might be something you're kind of born with. You're just a natural born seller, not true. Sales is a skill. You have to learn how to ask questions. You have to learn how to present, identify needs, handle objections, do trial closes. Close should be a natural conclusion to a discussion. It shouldn't be pressured because that means you probably haven't done it right. It's a profession. And you know what? Everybody sells. You're going to sell.

I have to sell to my board. I have to sell to my investors, sell to the employees, sell to my spouse, sell to my children. Everybody that you contact with in your lifetime, you're going to have to sell in some way. It's a great thing to learn. Now, this book, I'm just curious how many of you have ever seen this book, "How To Master The Art of Selling"? I see we got a couple. When I put this up, I thought, "Man, I'm really old school." This was printed in 1980. So that this came almost just like a foundation for me, three buddies of mine and I bought the book at the same time. We made it like a lifestyle. So we got to be unconsciously confident with this. So we all room together.

We had a big house so we lived in and I said, "You know what, if we're going to go to the movie we're going to sell each other to go to movie. If we're going to go to dinner, we're going to have to sell each other to go to dinner and it made it become something that we got pretty good at. Learn how to sell. Lesson number four, there's no failure that you can't recover from. You're going to go out and you're going to take a big swing in life and if you fail, so what? So what? You can recover from it. You're going to be in the weeds in your career and you just need to believe in yourself and find a way to get out and now I had a really interesting thing happened here when I was with Donnelly Communications, my own business. I was up to my neck in debt. I didn't have a dime to my name. Every credit card maxed out and nevertheless, I believed in my product and I said, "You know what, I've got to get to ad agencies in New York City." So I drove from Alabama up to New York City and I was pounding up and down Madison Avenue every day calling up ad agencies. One night, I went to the Port Authority Bus Terminal I was standing in New Jersey and I went to the Port Authority Bus Terminal to get to bus home.

I missed it. I didn't have any money to get a bus ticket and I was standing in the bus station. And I said, "You know what, this feels pretty much like failure." because things weren't going that well. I had no money and I was in the Port Authority Bus Terminal at like midnight. I had no idea how I was going to get home. And so, I started looking around and over the corner is a guy playing the guitar. Now, Tom said I played the guitar and I had on a great pinstriped suit and wingtips with holes in them and I walked up to the guy and I said, "Hey, dude at some point you're going to need to go to sleep and when you do can I play your guitar because I need to get bus fare to get back home." And he said, "Yes, sure." And he hand it to me, so I got bus fare. I made some tips. I managed to get home and then three days later, I got my first job in surgical sales. So I mean, it's just kind of I felt like, "Man, I'm big time in the weeds." But it was, it's kind of a nice recovery.

No failure you can't recover from. Lesson number five, strategy and tactical implementation equals success. Now, strategy is sexy and cool and everybody loves to talk about strategy but the robber meets the road in executing a plan. If you can't execute the plan, it's not worth the paper it's printed on. Now, there's a great example of this at Alcon when I was there. We had this massive success with the product you see here on the left and it launched the exact same time as a product by its chief competitor. And at the time, the chief competitor had the lion share of the market and Alcon was kind of the also-ran. In five or six years, totally flipped the market and Alcon earned more of its fair share. Why? Well, it's great technology absolutely, can't do without that but it was tactical implementation that made a huge difference. We were intensely focused on managing customers, relationships, doing the right things every single day, messaging, branding, making sure everything was running like a really well-oiled machine and that made the difference here.

So that tactical implementation strategy equals success. Now, those people here at OptiMedica get to hear a lot of my sayings over and over and over. This is one of them - The most dangerous thing in the world is a past success you're still in love with. You have to live like your best day is always in front of you. Have to live for the future and take the things that you've done in the past and you know what, they're in your rear view mirror. You can celebrate them for a little bit but keep moving. Surviving success is one of the hardest things to do. So as a great example, here if you think about OptiMedica in PASCAL. PASCAL by almost any metric you look at, you say, "That was an incredible success." I mean, we're feeling really good about what we had accomplished and it was a pretty audacious decision to take something and just say, "OK, we're going to transact it away." That felt really wild. But you know what, it was because we have our eyes on the goal of femtosecond laser cataract system, the huge opportunity we made sure that we were good stewards of what we had built put in the hands of a company that was going to execute well with it and focus on this future potential.

So best day has always been in front of you. Lesson number seven, do it for something other than money. I think if you're focused on money and that's your goal, you're going to get it pretty quick and money is just the by-product, I think of really good work. It just kind of shows up if you do things right and if that happens really early then that was kind of a hollow exercise. Having the higher-order goal is really important if you want to drive your career and stay challenged every single day and what to achieve. I'm fortunate to be on the medical device industry because the products that we make impact people and improve their lives and not witness anywhere better than in the slide right here. So when we were developing the femtosecond system, you do all kinds of bench test, lab test, safety studies. All this work to finally get in the clinic and there does come that day where you use it the first time in humans. And so, we set up our clinical trial in the Dominican Republic and we're screening patients and one particular woman raised her hand said, "I want to be the first." Really? "Why do you want to be the first?" She said, "I want to be the first because I know that if I can help you get this product to market. If I can help you get this into surgery, it will benefit millions of people's vision and improves millions of people's lives.

Now, I couldn't have scripted that better. Those are the moments that you work for. That's an incredible higher-order thing to feel with your career. So do it for something other than money. Lesson number eight, people do business with people they like. Great example of this is the Topcon transaction last year when we transacted the way the retina and glaucoma business. I say that because probably four separate times that I can think of while we were in that negotiation, I felt like we kind of hit the wall. This might not happen. And the reason the way that we would get over that is the person of Topcon that was in charge of it on their side and I would get on the phone. We really liked each other.

We both share the vision that this was great for us and them. We both wanted to make it happen and we would pound through really difficult issues because we believe that this is good for both companies. And so, business is a contact sport and I would highly encourage you to think about that and treasure the relationships that you build because they're really meaningful to your success. Lesson number nine, prepare, prepare, prepare. Nothing takes the place of preparation and building the great game plan and executing it is incredibly important. How many of you are football fans? How many of you are Stanford football fans? OK Well, I never met Jim Harbaugh but I would bet money that if I met Jim Harbaugh, he would say that games are won by outstanding recruiting, outstanding training, developing a strategy, practicing that, delivering that on game day and Stanford did a great job of that this year. You guys has had a pretty great season. So you should feel pretty good. Now, I would be remised in this conversation if I didn't mention my Auburn Tigers that in case you didn't heard, they won the National Championship. I love this picture of Jim Chizik who's the coach at Auburn.

And this picture of him with his game plan in his hand laminated and if you really if you ever dive and see how they do that, he watched film intensely they think through every single play and scenarios so that when the heat of battle they've done all the homework. They know exactly what to do. And one of the things I heard Jim Chizik say a lot during the season this year was they'd go in the first half and they maybe wouldn't have something just right, they'd have to tweak at half time. They come back and win the game. The Alabama game was 24 to nothing, almost half and Auburn came back and won. So that's a fantastic example of preparation. Lesson number 10, put the right people in the right seats. Now, this is kind of my last lesson and I kind of did this in chronological order but this is probably the single most important thing for you to think about as you launch in your career making sure the right people in the right seats. People in OptiMedica hear me say, "A lot of weapons don't win battles, people do." If you don't have the right people in the right seat, you have to correct it. Everybody on the team probably knows that they're not the right person in the right seat.

It goes further than you might actually think. It's natural when people hear the statement to think, "Oh, I need to make sure the people that work for me are right people." It goes way beyond that. You need to make sure you have the right seat in your board. You make sure you have the right investors then make sure you have the right team, you have the right advisors. You need to make sure that your friends share your values and that you guys are good for each other and you need to make the right decisions in your personal life. One of the most important decisions I ever made in my life was my wife and the spouse that I have, she's incredibly supportive for me. That's important decision and that's another way of thinking about having the right people in the right seat. So I started out here by referencing Tina's book "What I Wish I Knew When I Was 20". So maybe one day some really cool happens. Maybe I'll write my own book and I was kind of thinking what I would call it and recall how I started my career.

Well, I think I'll probably name mine "The Vienna Files". People would think this is like a global business book, it's about Vienna sausage. And the subtitle though, Tina has a really sleek one but mine would be 10 lessons learned during my journey from the time in South Alabama town to becoming a medical device CEO in Silicon Valley. Where's Tina? Is she also willing to... OK, yes, so yeah. So I need a little help on the subtitle that's why I'm a medical device CEO and not an author but that's as far it would be. So now, those are my 10 lessons but I do because I'm here at Stanford today. I do have one bonus lesson for you guys and that is I look around this room and this room is full of choices to be made. And if you think about life and you think about as you go out in your career, every day when you wake up, you get to make a choice. You get to make a choice to work hard, to have a positive outlook, to stay the things in the face and not be daunted by them.

That's a choice that you get to make. "Success Is a Choice" you make. It's a great book by Rick Pitino. I encourage you to pick it up and read it but you also have an asset behind you that's very powerful. You have a very powerful brand behind you in Stanford. So leverage that brand, leverage your skills, leverage your knowledge, leverage every gift that you have, and go out and do something great with it. So, thanks. So I think we've got some questions here. And so, so I'll start with the first one. Yes, Ma'am.

As I talk to you before we meet at the class where we talked about you and the company and the decisions you've made. One of the things that we're really curious about is it's very unusual for the company to sell its entire revenue stream basically and to still remain a company. Yes. We were wondering if you could just talk a little about that in terms of what do you do to the culture? If the culture change, did some of the people have to go with the acquisition? Where the money go? Did you use that money to change out here in investor pool or if you could just talk a little bit about what went on behind the scenes there and how you navigated that? Let me repeat the question for those of you who may not. First, it's a question about the transaction with Topcon and when we made that decision, what impact did it have on the people? Did people go with it? How do we make that decision? Was it a good thing for everyone? And what happened with the structure of the board and the structure of the company and what else? So and what happened with the culture. The culture and the money. So... ..about the main thing and go on with the... Yes, it's really interesting thing. There's not a lot of cookbooks on how to do that.

To transact the way your revenue stream and so we felt a lot of times we were sort of blazing some new ground. And the first thing is we had to really think about the decision to do that. We really thought long and hard and said, "OK, we need to really be successful and focused on this big opportunity, the existing cataract. At the same time, my management team and all the people in the company were intensely committed to the customers in the retina business. If you think about it, I spent 23 years in retina. These are friends. And so, when a product is in the hands of a friend, you feel intensely responsible to make sure that they're having a good experience. So we had a lot of discussions about if we're going to do this then we're going to succeed in cataract. We've got to be focused on cataract and this responsibility to what we had already accomplished was very dilutive. And every day, I mean we get a staff meetings and we're constantly managing the amount of discussion about retina in this huge opportunity.

It's really hard to do. So we made the decision. It's best for the company to do this. And then we started thinking about all the elements of once we decided to do this with Topcon, we got through the negotiations then we started thinking about that's got to be successful. I mean, we can't abandon the customers. And so, Topcon was very, very much wanted the employees that manufactured, all the skills they had to go with it. And that was kind of a hard thing to do because we're right in the middle of Silicon Valley. And one of the things I learned really quickly is if people are unhappy with their jobs, they probably go across the street around noon and get another one. So it's really delicate and it required a lot of personal sitting down with people, talking with them, making sure they understood. We did things as a company to make sure that it was good for them in a lot of ways and then we maintain some interaction at a pretty high level through the transaction to make that occur.

What happened to the culture of OptiMedica is really kind of amazing that I remember walking into the office when some of the milestones, the transactional past and walking in the office and saying, "You know, all I'm thinking about today is cataract. I mean, this is just like incredible. It's like instant clarity." But then what also happens is you get that instant clarity and it also go, "Man, we've got so much to do because now you're telling me that the deeper level. It's like, "Wow, we got a lot to do." And so, we had some key objectives and things that everybody had to get focused on and it became just this intense effort very exciting but we went from a revenue generating to kind of back to a startup but a really, really well-structured startup. So one of the things that occurs is we kept some infrastructure that you wouldn't typically have in a startup. We had some commercial infrastructure that maybe didn't match up with the rest. So we kept that and we're not going to change that. I mean, those are great people we worked long and hard to get to. So our board made a great commitment that we're not going to play. They're just playing cataract.

We're playing to win. And so, we kept that infrastructure, the money from the transaction. Our board said, "We want you guys to succeed and we want you to have everything you need. And so, it stayed and it's really remarkable thing. I mean, I talked with Brook. I mean, he's had so many experiences and he said, "Man, this is like a case study." And one of the things I'm really proudest of is that the employees that went to Topcon. We didn't we lose anybody and that was remarkable. So it's pretty, is that answer your question. Yeah. OK, cool.

Yes. So this is a lecture on entrepreneurship. You talked a lot about entrepreneurial lessons. Well, you also said that in your job before coming out tonight, you thought like you would make it in New York there for 20 years. So and you were approached, So, do you think if you weren't approached to kind of convinced that you would have made the kind of entrepreneurial jump? You know that's a great question and I was just talking with somebody that I was trying to recruit yesterday and I said, "Yeah, I was kind of a little bit of a Job TreeHugger of sorts. I love what I was doing. I do have this kind of a positive outlook and I can always find the positive in stuff. And so, even that said though I knew that I needed to do something different because with domestic retina business in our economy, we've grown to market share and like the 80 plus

ballpark and it's a wonderful experience whereas like this year we're going to go from 84 to 86, OK. I mean, that was challenging to me. So I was getting a little bit bored.

And that conversation with Ray Kroc, I know that it's just like the time, just a really short time when that had such of impact on me. It was always nagging so if you think about the thing where I went from dial to Donnelly. That was a big risk. That was entrepreneurial. Actually, Grieshaber was very entrepreneurial. It's a smaller company. And then back to OptiMedica, if I hadn't been approached I think I would have probably within a year or two would have done it but I don't know that I ever had found such a perfect opportunity and this was spectacular. Somebody else? So, I think the question in terms of like the company timeline was the sale of PASCAL like in the works before you got in as the CEO or was that sort of something that you could have done today? Great question and it was not even remotely considered and I'll tell you, it's pretty interesting that we reached the end of 2009. We're going through a strategic planning process and kind of one of the great things about OptiMedica is we're like an innovation factory. I mean, we have so many smart people that are so creative that when you kind of look at our pipeline, it's ridiculous.

We're kind of the end of the year and we're planning our strategy. It's like we can't do all this but we want to. This could be the company and this could be the company and this could be and so we're thinking about that and it was feeling really funny just letting stuff sit. And so, in that strategic discussion at the end of 2009, we said, "We got to do something different. We got to focus on cataract." And we made the decision in probably a couple of months. What went down if you just bring on another team to making the business bigger and so rotating, kind of scaling? That's an option but it would have been such a scaling and we had the femtosecond laser cataract opportunity is so immediate and compelling that as much as I think everyone of us would like to do that. I tell you there was one product in particular in the retina transaction. It was in the pipeline and I'll say it was kind of absolutely deep in my heart. I felt like it is my baby or something. It's the hardest thing in the world to not take that product to market.

But man, I promise you, Topcon will do it and it will be a grand slam. I'm glad it's in their hands because those are great people and they'll do great job with it. Yes? You mentioned that your first patient was in the Dominican Republic. Yes. Would you care to mention why the Dominican Republic is supposed to stay in the United States of America? Yeah, absolutely. So the Dominican is FDA approved site and so we were with their IRB, their Internal Review Board and gain access to. We had a great ability to work with the clinic down there that the head of our medical advisory board had trained him. It's a close relationship. It was secluded. I mean, because we have a project that people would love to know a lot about.

It's nice to be able to shroud it a little bit in secrecy. And so, that was a good reason for it. Yes? As CEO you've had to make a lot of really difficult decisions. Can you talk a little bit more about how you motivate the people to stand behind you on all these tough decisions? Yeah. It's a great question. And so, I think the only way to motivate people to stand behind something is if they believe in it. And so, I try as much as I can to be very open about things that we're doing, why we're doing them, and if somebody doesn't believe in something, I kind of take as a response I kind of want to sit down with them as much as I can and make sure that I help them understand the elements of it. Every decision has some element that is maybe not great. You can't have everything perfect. And so, I think the only way to do that is just with personal contact and transparency and helping people understand what's really driving it and what the outcome of it is? What the intended outcome? Yes? So your first lesson learned is about achieving things in your goals.

Yeah. Clearly achieved your goal becoming CEO, I'm just curious how your career goals have changed over the years and how you had to change yourself around those? Yeah, so I say I was a victim of one thing that I'd learned really quickly and when I was a starving kid. I was up to my neck in debt and I didn't have anything and my wingtips recall had, they had holes. There was a point that, "Man, I was pretty focused on money." And I had some really interesting thing that a lot of good sales people or whatever, you know we sales people, I had this car that I wanted so back to cars, I had this car that I wanted and I put on a picture, I said, "I'm going to buy that car" and it is really expensive and so I put the picture on my wall and I said, "When I achieve this, I'm going to go buy that car." And I achieved that and I went down to the dealership and I bought it and I drove it home. So I'm a huge domestic car supporter. This was in 1988. It was a Cadillac Allante. That was a roadster made in Italy that it was on the Ferrari assembly line but it was a Cadillac so I'm a huge-domestic car person. Anyway, so I bought the car. I drove it home and I put it in my garage and I remember getting out of it and going, "This doesn't feel good." It's like man, I worked so hard for this and here it is and I take it now to the 7-11 and get a coffee.

It's not a great thing so that really made me start turning my attention and recognizing what I was doing and talking to patients and things. So that was a huge shift. I guess the other shift was just recognizing the importance of taking a swing. I say these lessons I've learned are in chronological order. It is because I've learned them along the way. Grappling with failure and learning from it and saying there's a point in time in which I just said, "So, what?" I remember talking with my wife when I was making the decision to come out to California. Sitting down in Alcon was really to their credit, I mean, they really did a lot to get me to stay there and it was the most respectful thing and I just appreciate it very much but I remember talking with my wife and saying, "We could go to California. We can lose absolutely everything. Stay married to me.", and she said, "Yes, it's OK."

We're going."

Yes? You're talking about putting a lot of right people in the right places in OptiMedica. It's like three teams, right? The Medical team, the adviser board and the board of directors. I was curious about how you went about selecting the members of each team and at the dynamic between those because you're a medical device company and your management team has a much fewer people who are the bread and butter part of the medical device. And then I was wondering how the medical adviser's board influences your decisions? Yes, so great question about the management team. As I think about it seemingly, I hired everybody but one person and he was one of the founders and he's one of the guys that I mentioned I love working with every day. So when it came time to hire those people, it's really interesting one of the things about Silicon Valley, I mean, you can use recruiters and you can define what you want but there's also this network of people with your investors and advisers and everything. And so, kind of the word went out that we were looking for people and some great talent came to us. So we're pretty high-caliber company. And so, people would hear the opportunity at OptiMedica for a CFO and somebody at Kleiner Perkins sent us somebody that they used to work with in another company. And one thing about it because I think this is really important is the dynamic of the team is really important.

It's like building a football team, you want them to work well together but you want different personalities and different points of view and it's really incredible to me that when I sit down and interview, I kind of know in like five minutes. I mean, I know really fast if they're going to be the person and there have been times that I've interviewed somebody. We're going through a long series of interview and something comes out. Yeah, I knew that like right upfront something wasn't right. So I think that dynamic is a critical part of it. Did I answer your question? Yes. OK. Yes. Ray Kroc's story is inspiring and based on that, it reminds me of a story of Edison when he first encountered the light bulb and the young reporter asked him, "Mr. Edison, that's phenomenal.

That's incredible. You finally did it after you failed a thousand times and he just kind of look at him and say, "Young man, I did not fail a thousand times, I just found a thousand different ways that it did not work." It didn't work. Yeah. Talk about failure. Yeah. Just one way to look at it. Yeah, absolutely. I've heard that story. I think it's a really cool story. Really inspiring.

I just thought about it. Thank you. Anybody else, questions? Yes. Obviously, I mean, you have great business talent in all of those, anything else you wouldn't be ready now but you think like you were born with that skill set... go to business to become professional CEO you think that developed along the way? If you ask my two older brothers, they'd say absolutely not, but... Always feel like I was born with the desire to do something that made the difference and maybe that's one of the things it's been a driver there are times when I didn't feel like I was able to leave a thumb print on something and those times started making me get bored. It's really rewarding to be able to build or do something that can make a difference and you can point back and say, "It's accomplishment." So I think that what has been a driver. So, I think I was born maybe with just kind of a positive outlook and a desire to do something and maybe a certain I don't really care that I didn't do this part well. We're still going to win somehow. Yes.

As I told you before, one of the things we like to do is we like to look at the whole person and understand a little bit about their personal life. So, really isn't a fair question but I know the students will enjoy hearing the answer. We noticed that you have a budding artist in your family. Yeah. And that your daughter is a musician-singer and we're just wondering, taking everything you've learned as an entrepreneur, are you helping your daughter with her career and what are you learning about that industry as opposed to this... Can you think of lessons and applying there? Yeah, absolutely. So I feel like a lucky parent. My daughter liked that. I've got my son is a really kind of gifted athlete. I do watch practice football and everything.

So my daughter is a singer and because I played the guitar, I'm really interested in it and absolutely. The music industry is so different now. She has a website. She makes her own CDs. She writes her own songs and I'm really involved in that. She performs live and a lot of times I'm her back up guitar player. She plays something called "Bread and Roses". So she and I multiple times during the year we go play in drug rehab centers or unwed mother homes and so we're going to do that and she's opened Los Gatos a few weeks in part. She opened for the Jonas Brothers one time. So she's really excited and she's right now auditioning for music school.

I probably better not say where and this was kind of really a big compliment for me. She went, there were 2,200 students that want to get in the school and they brought a hundred down and she was one of them. She asked me to go with her and be her back up on the audition and I thought, "Well, that's pretty cool." I've never been so nervous in all my life. It's because I thought if I mess this up and she doesn't get in that music school it could be, "Dad, you didn't give me. So, but yeah, and actually my wife is amazing with the help she gives her and kind of marketing. She's got a great agent. She's got the agent that was Smash Mouth's agent. What's her name and just sort of check her out. Oh, Alexis Forchette.com. Any more question? OK.

All right. Yes? Looking through your family background and the time that you spent with your children. I was really impressed how you were able to balance that kind of family involvement along with your personal career and I just want to know what challenges did you face in having to balance that and how did you manage to do those so well? I hope I do it well. I



try. So first you have to make the decision to do that. So for example when it hits foot... used to be. I can't right now because they close the practices but used to be when hit football season is my son's football practice. Every day, I would just say, "You know what, I'm going to finish up work in time to go watch his practice and go to his games." I've got one son and I'm not going to miss any minute that I can. So that becomes the decision that you have to make.

So that means I have to get up at 5 o'clock in the morning, start doing an email then. So you just make those choices and then try to manage your schedule around it. As much as I want to do it, as much as I try, there's still plenty that you miss. I remember there was an instance in our family where we lost one of our relatives and I remember that moment that if my kids come to me and say, "Hey dad, you want to toss a football?" I'm saying, "Go put your shoes on." If I'm working, I'm going to take the time because you don't get that back. So, thank you. Give him a round of applause. Thank you.