

Q&A with Roy Stein, Founder and CEO of BabelBark creating a Unique Global Technology Platform Connecting the Whole Pet Ecosystem with Predictive Analytics



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CEOCFO: Mr. Stein, what is the idea behind BabelBark®?

Mr. Stein: The idea behind BabelBark is to enable a platform that connects the whole ecosystem around pets, dogs and cats, with all of the service providers that give them service; veterinarians, pet groomers, dog walkers, pet shelters, dog trainers, pet nutritionists etc, with the pet parents and enabling cutting edge predictive analytics. Much like Airbnb connected all things in hospitality in one place and much like Amazon connected all things ecommerce in one place, BabelBark connects all things regarding your pet in one place. We do not replace the service providers, we are not veterinary services, we do not provide walking services or grooming services or dog boarding services. We do not replace those services, but we enable one platform where the whole ecosystem resides in, plays nice together and enables a much higher and easier level of care for the pets.

CEOCFO: Has something similar been attempted in the past?

Mr. Stein: No, it has not. However, when we started this three and a half years ago we looked at the market and saw the growth rate of the pet market. Globally and specifically in North America the pet market is growing at over six percent CAGR, which is amazing – the US pet market alone is on track to eclipse \$72B in 2018. The main drivers for the growth are the younger generations, the millennials and the Z Generation. They have actually taken over from the Baby Boomers as the largest demographic that own pets. This generation likes platforms – just look at the drive and growth of multiple different examples like Airbnb, Uber, Lyft, Amazon, Etsy; we can go down the list. They have app fatigue, they don't need or want to go through multiple apps for the different parts of the "same thing". They want one place that is easy to get to and does everything. To date, BabelBark is the only platform on a global basis that delivers and provides this horizontal approach. There are many, many great companies that do a lot of great work, but they are very vertical in nature. That means they do one or two or three things

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really well, but that is all they do and the pet parents have to go through multiple apps for the full picture. We have taken an approach with a horizontal platform that connects everyone and everything in one place and as such can provide cutting edge predictive analytics.

CEOCFO: *Would you tell us a little bit about how you were able to put this together and where the biggest challenges were, both with technology and just finding the vast arena of services and people that might provide them?*

Mr. Stein: My business partner, Bill Rebozo and I have been working together for over a decade. We each have over twenty years of experience in the software space, the majority of that being in how to take big data and a lot of information and distilling it in a very user friendly software platform for the common Joe or Jane to use. That is the experience that we lean back on. We incorporated in 2015, so it is about three and one half years ago. The biggest challenge was not in building the software, but how to break through with one platform in a way that, on one hand will talk to highly educated veterinarians but also be able to talk to a dog walker or dog groomer as different service providers have different needs and pain points. You need to understand the different things that they need from a platform and you need to provide for those things. Therefore, that was the biggest challenge. With much trial and error we broke through and managed to figure that out and that was the biggest success in building the horizontal platform – the ability to talk to everyone, regardless of who and what they are, in one place.

CEOCFO: *Why global? Not everyone starts off with a global reach?*

Mr. Stein: We actually started out only in the US and Canada, however, the platform was built from day one as a global platform because in this day and age, when we are talking about SaaS products with corresponding apps that are downloaded from the App Store and Google Play Store, you need to enable global connectivity because people travel. Let us say for example that you have a dog, live in Florida, and now you are going to vacation in Hawaii but you still want to take care of your dog, you still want to know what is happening with your dog & get alerts, if he is with a pet sitter back in Florida or even if he is with you in Hawaii. In the same sense you might be going on vacation to Italy or any place in the world. Therefore, we cannot limit you, in this day and age of globalization and “the big village,” so to speak, in how you can get information and be connected to what is going on with your pet, wherever it is that you are travelling to. Lets say is it a business person, traveling now on a business trip in Europe or in APAC and they want to stay in touch with what’s going on with their pet, or get an alert. They want to get an alert that it’s time for Fluffy’s medication & verify that he received it, or it’s time for Fluffy’s scheduling of a dog walk because he has not walked the minimum amount that he needs to in order to stay healthy and so on. This is why they want to be connected and get those alerts and have that ability wherever they are, because people travel every day, all over the place. Hence, we had to enable it on a global basis.

CEOCFO: *What are some of the services you might show that people would be surprised about? You mentioned nutritionists before, which surprised me a little!*

Mr. Stein: Today, much like human care and specialty services, pet care and services are becoming very specialized with multiple new ones being offered – hydrotreatment for elder dogs, nutritionists, these are just

an example. A whole host of capabilities around pets is growing with specialties which were not common a few years ago. Unfortunately, we know that over fifty percent of pets in the US are overweight. That not only causes health issues for their pet, but also monetary issues for the pet parents, because the less healthy the pet is the more expense you have on veterinary cost. Therefore, there is great value in the ability to share what food the pet is eating, the caloric intake & ingredients, with the vet, pet sitter, trainer and even to the nutritionist. Correlate the type of food with daily activity goals – and thus have an eco-system of care around the pet. Many clinics today have pet nutritionists in house because of obesity issues with the pets. BabelBark enables the vets to share the information with the nutritionist, trainer, walker, sitter if the pet parents so wish it. It is always up to the pet parent to decide what he or she shares with service providers, they have control of their own data. However, if they so choose they can share that information across the whole ecosystem. Whatever kind of direction the vet puts in place or states for the pet the trainer / walker / sitter will know. This also enables us to provide predictive analytics – for example since the platform knows what the medical condition is, the required activity level and how much was actually done – we can send alerts to the pet parent with actionable information on services needed (like a dog walk if he hasn't met the minimum required) or medications needed, and much more. All of that information is connected and if the dog eats too much or walks too much or gets some kind of treatment that they should not, alerts pop up; both in the pet parents' phone and potentially, if they so choose, in the vets system. This is automated, so it works wonders and provides for a much better, healthy environment, which leads by itself to lower costs in medical care and longer and happier lifelines.

CEOCFO: *What is your business model?*

Mr. Stein: It is subscription based. Like many other platforms out there, we have the base systems that are free with additional premium versions that are subscription based. The vets, pet services and the pet parents each have their own platform. The vets have a portal that is integrated with their practice management systems and enables everything from cutting edge telehealth capabilities to the basic appointment scheduling and medical record sharing. We have connectivity to over ninety percent of the different practice management systems in the English-speaking world. The pet businesses have a very basic portal that allows them to do online, cloud based, client management, scheduling and those kinds of things and the pet parents have a basic app that is free to download from the App Store or Google Play Store. Then, in addition we have subscription-based levels with additional features for all of these folks, such as if you want to add online payments, if you want to add promotions, if you want to add online marketing to your clients. It is not ads and we never have ads in the platform. However, if a pet business, let us say a walker, wants to be able to send out promotions and specials to his or her own clients, such as “walk the dog this weekend and get twenty five percent of the next walk,” then they will need the paid subscription. If the pet parent wants a host of cool capabilities, like a 24/7 pet poison hotline, lost and found services, pet registration, Amber Alerts if the pet is lost and many more, then that is a paid service level. That is the basic model. The pricing is priced in such a way that it is extremely competitive, since we do not monetize just one segment, but the whole ecosystem, we are able to be thirty to fifty percent of the price of other platforms who are vertical in nature and have a model that monetizes just one segment.

CEOCFO: *How do you reach potential users?*

Mr. Stein: We have three groups of users. We have the veterinarians, we have the pet services and we have the pet parents. We reach each in a different way. For the veterinarians, we reach them through consultancies and through key opinion leaders, both our Chief Veterinary Officer, the distinguished Dr Kerri Marshall, and our esteemed members of the advisory board. We speak at multiple different veterinary conferences and provide all kinds of lectures around how to enable vets to connect with their clients outside of the four walls of the clinic and how to connect to millennial clients and things like that. That is working wonders and we have a steady stream of veterinarians that are signing up on a continuous basis. We reach the pet services more in the classic way of advertising in trade magazines, promoting in shows and expos and so forth. With the pet parents, we mostly do digital marketing. Therefore, we are working with Google, we are working with Apple, we are working with facebook and we are reaching pet parents on all of those platforms. The long and short of it is that we already have hundreds of thousands of pets connected via the platform with hundreds of businesses, clinics, shelters and we are growing at the rate of triple figures on a daily basis.

CEOCFO: *What has changed in your approach over time? What have you learned as people have been using BabelBark?*

Mr. Stein: That is a great question. We have learned that it is not necessarily everyone that wants to use everything. When we started out we had the idea that everybody wants to connect everything in order to manage everything. That is not necessarily the case. We have seen that different people use the platform in different ways and that's fine. Take Amazon for example, some people buy everything on Amazon, everything from Amazon Fresh to every other kind of product. Some people only use it occasionally to buy a certain product once a year or whatever. That is what we have found happens with us. Some people use the platform on a daily basis. We see searches for services in the thousands per day from our user base; people looking for services and looking for service providers. Other pet parents use the app for themselves without connecting with anyone. For example, a pet parent might not want to connect with their vet or walker, but just uses the app for their own convenience to remind themselves of when it is time to give medication or when it is time to give them food or to track the activity of their dog, much like you would do with a Fitbit for yourself. Different people use it in multiple different ways. I think that is truly the value of a platform verses an app, because as a platform you give that flexibility and you have that ability to enable people to use it whichever way they feel they want to use it. If it is only the basic one, which is free, knock yourself out, go ahead. However, if you want to have more capabilities and services that are on the very affordable subscription level, that is fine as well. The platform provides that flexibility that enables anyone to use it in multiple different ways as they specifically need – either at one point of time or over periods of time.

CEOCFO: *You had a funding in August. How far will that take you?*

Mr. Stein: Quite a bit. However, we are currently actually getting a lot of incoming requests and attention from potential investors. We are opening a new funding round over the next few weeks. It is not necessarily because we need to, because we don't, but because there is so much attention and interest coming from the market to get in that we want to take the opportunity to really secure what might be our last

round, one that will take us several years forward. Investors – both strategic and institutional – are interested in investing because they see the long-term value of a platform like this on a global basis. The pet market is close to recession proof and growing at a huge rate, a platform like BabelBark that really covers the whole eco system with unique predictive analytics has a lot of attraction especially since there is nothing really like it out there, and it has major first mover advantage.

CEOCFO: *What is ahead for BabelBark?*

Mr. Stein: At BabelBark, we are planning to start adding more features the beginning of 2019; all kinds of really cool stuff based on focus groups and the feedback that people are really looking forward to. We will be rolling out our API's to enable even more companies and products to connect via BabelBark, and expanding globally as well. These are really exciting times! The US growth has far exceeded even our wildest expectations, and now it is time to reach out and start going global more aggressively.

