

[Transcript] My First Million / #15 - Dr. Iman's Incredible Idea

All right.

Quick break to tell you about another podcast that we're interested in right now, HubSpot just launched a Shark Tank rewatch podcast called Another Bite.

Every week, the hosts relive the latest and greatest pitches from Shark Tank, from Squatty Potty to the Mench on a Bench to Ring Doorbell, and they break down why these pitches were winners or losers.

And each company's go-to-market strategy, branding, pricing, valuation, everything.

Basically all the things you want to know about how to survive the tank and scale your company on your own.

If you want to give it a listen, you can find another bite on whatever podcast app you listen to, like Apple or Spotify or whatever you're using right now.

All right.

Back to the show.

You know, a lot of stores have to align for a company to start.

You need to have the right co-founder, the right idea.

You've got to be willing to take the risk.

And so we leave and we start working on an idea.

We've been working on it for a few months, like a year, and it's just not working.

We made a big mistake here.

What are we going to do?

This thing's not growing, and we're actually running low on cash too.

Pivoting is hard, but the thing is it should be acceptable.

This was the highest stress point I've had in my entire entrepreneurial journey.

Thing with introductions, it takes like five minutes of your time, but you can change someone else's life.

What we realized, I come from a family of doctors, surgeons, and they are complaining about understaffings.

And so we looked into it, started doing the market research and realized what a big problem this is.

And that's when we're like, okay, there has to be a better way.

Two years ago, when it was just Rome and I, we were raising our seed round, just raising the initial \$2 million.

And at that time, honestly, there's two co-founders in an idea.

Probably have to go through 75 to 100 meetings.

And where are we now?

We just raised a \$50 million series A.

So I want to start with the who are you.

So give us your name and give us the name of your company and what your company does.

So my name's Iman Abuzade.

I'm the CEO and co-founder of Incredible Health.

Incredible Health is the fastest growing hiring platform for healthcare workers in the U.S. today.

Hospitals and health systems use our platform to hire permanent nurses today in less than 30 days.

[Transcript] My First Million / #15 - Dr. Iman's Incredible Idea

It normally takes some 90 days or longer.

And our platform has driven the efficiency of hiring by 25 times.

The reason that matters is the healthcare industry employs a most number of workers in America today.

It is the largest labor sector in the country, but it also suffers from the biggest shortages our demand for healthcare as a country keeps going up.

But we don't have enough workers in the system.

And so it's becoming harder and harder to hire.

I want to talk about the product because I'm intrigued at how you're doing this.

But first I want to, there's a couple of things when I was looking you up that was interesting.

One was that you're not a tech person who tried to just go solve this random problem that you didn't really understand.

You came from the healthcare world.

So you have your MD.

That's right.

I am a medical doctor by background.

And we were just talking, you know, right before this that you went through med school, you finished, but you never practiced, right?

Correct.

You went into management consulting.

I went into management consulting.

And the reason I didn't practice is because my interests were more around making an impact on a more macro level, impacting an entire health system or impacting an entire industry.

And so don't get me wrong.

Like one-on-one patient care is great, but it just wasn't necessarily for me or where my interests laid.

And so you realize that when that, hey, this is, I'm in medical school, I don't necessarily want to be a practicing doctor.

When did you realize that?

Maybe two years before graduating.

And I was thinking about dropping out, but I didn't because my dad wouldn't let me.

And you know, maybe that resonates with the immigrants out there.

And those of you with immigrant parents, I'm originally from Sudan, my parents are Sudanese and dropping out was just not an option.

And you come from a doctor family too.

That's right.

My dad's a surgeon.

My two older brothers are surgeons.

So growing up, the question is like, what type of surgeon do you want to be?

Yeah.

Not like, what do you want to do?

Exactly.

Yeah.

Okay.

[Transcript] My First Million / #15 - Dr. Iman's Incredible Idea

So in one moment or was this like a slow burn where you were like, I don't know if I really want to do this.

Was there a day where you were like, this is not for me?

It was definitely a slow burn.

And then it was just a decision point where I was just like, I cannot, I cannot do this for the next 40, 50 years.

And that's got to be a pretty tough feeling to have a pretty tough realization to have.

Yeah.

What happens?

You break down crying that day.

You're like, oh my God, I'm so far in, but this is not what I want to do.

How did you deal with that realization when you had it?

No, I mean, it definitely wasn't any crying.

It was more around, all right, now it's time to figure out what to do instead.

You went straight into problem solving mode.

I went straight into problem solving mode and I mean, I'm no regrets.

You know, that, that degree does give you a lot of credibility.

Yeah.

Whether you deserve it or whether I deserve it or not.

I look at you from the right now, I'm talking to a doctor, great.

Yeah.

I don't use much of that knowledge, but it does provide credibility.

And why consulting?

Because most people, I know they go into consulting, they go into consulting for the money, they go into consulting because they kind of just don't know what they want to do and it seems like a reputable career.

So it seemed like you don't strike me as the type of person who's doing it for just resume building or even just for money.

Why did you go that route then?

Yeah, I just, I didn't know what I wanted to do.

I just knew I wanted to do more.

I wanted to have a bigger impact.

At the time, management consulting would give me exposure to a lot of different things and it did.

You know, I got to work with hospitals all over the country.

I got to work in operations and strategy and I got exposed to a whole new set of skills that I grew and a lot of smart people.

But, but it was very corporate, yes, you know, very, very corporate and that didn't sit right.

That didn't sit right with me.

No.

Yeah, you're wearing a leather jacket right now.

Yeah.

Super corporate.

[Transcript] My First Million / #15 - Dr. Iman's Incredible Idea

Yeah.

So at some point you decided also this is not for me.

Absolutely.

I knew it wasn't for me.

And so again, I'm like, okay, I need to just go explore and see what else is out there.

That is actually what led me to apply to business school and I ended up doing my MBA at Wharton and during those two years, I got a lot of exposure to entrepreneurship.

There were a lot of former entrepreneurs there who were my classmates.

There were classes around entrepreneurship.

There was just a lot of activity there.

And again, the Wharton MBA gave me exposure to marketing and operations and strategy and finance and accounting and like all these other fields of business that I had no exposure to before.

You're a believer in the MBA.

I'm your anti-MBA.

Okay.

So I believe that there are multiple paths to success for sure.

And for entrepreneurship in particular, there's 2000 different ways to reach the goals that you want to reach.

For me personally and for I'm sure several other entrepreneurs that MBA and Wharton business school or whatever it is, take whichever, Harvard, Stanford, whatever, it did help me in two or three different ways.

So first it's the brand and the stamp.

So when you are going into a venture capital firm or a hospital or you're trying to give in someone to join your team, having that stamp and that brand helps.

I mean, at the end of the day, look, we're still in a world where brands and stamps matter, where you went to school, where you worked, still makes a difference.

The second thing I got out of it was a network.

And I'll talk about that a little bit more later, but that is a network.

We'll bookmark that.

You can bookmark that.

That is a network that got me into Silicon Valley, that got me into the top venture capital investors that, and so the network helps.

And then the third piece is just some of the knowledge there did help.

I mean, I think some of my most helpful classes, for example, I took negotiations with Adam Grant.

I am using that skill set and negotiating like every other day, you know, learning the basics of finance and accounting helps when you're running a business, learning the basics of operations helps.

So there is some knowledge that you gain there as well.

But it's not the only way.

That's my point.

The only ones I would put on it, so I agree with when you said there's 2,000 different paths to success in entrepreneurship.

[Transcript] My First Million / #15 - Dr. Iman's Incredible Idea

The way I would say it is 2,000 different paths to the starting line to get success is really only one way to do it entrepreneurship, which is to start something and start trying to get a customer and then start once you get a bunch of customers to get your operations to work.

And then once you get that going, make some money.

And so what happens before that is often where business school or mentorship or starting off being an affiliate market or whatever.

There's a million different paths to the starting point where you have the confidence, you have the idea, you have the clarity of what you want to do, or you have the guts to just go do it.

And so that's kind of where for a lot of people who aren't quite there yet, great, get exposure, move to a different place, work at a startup, work at a big company, consult, whatever you got to do to get to that starting line.

But it's like, if you've ever done one of these races like Tough Mudder or Spartan Race or something.

So they have this gimmick where before you start, you have to climb this wall.

And it's like the obstacle before the race even starts.

And that's that first wall to me is the buildup of confidence, knowledge, know how, whatever, to get you to just go.

So that's how I think about that.

Yep.

But even after the starting line you're using, you need to know how to climb walls.

But your point is right.

So this is now the end of business school.

I've got an offer to go back to McKinsey.

And I'm like, man, I really want to do this entrepreneurship thing.

And where is the best place to do that, the San Francisco Bay Area.

And although I've gained some knowledge, I've gained a network, I've gained a brand.

I haven't actually done anything yet, you know, when it comes to startups and entrepreneurship.

But you got the stamps.

But I got the stamps.

So what I decide to do is I moved to the Bay Area because this is the best place in the world for startups, especially technology startups.

I become an employee at an early stage company that's venture back in healthcare technology.

It's called the live core.

And I was leading product.

And that is where I learned to work with engineers and designers and data scientists and marketers.

And what it takes to launch a product to grow a business.

I mean, I just learned so much.

You learn a lot as an early stage employee.

And so you were sort of 10 years in the making, building up to being prepared to start incredible health.

That's right.

And now just to give people some context.

[Transcript] My First Million / #15 - Dr. Iman's Incredible Idea

So incredible health, you started it how many years ago now?

Two years.

So two years ago, you just raised a big flashy round.

I did.

Yep.

Give us the details.

So you raised a bunch of money from Andreessen Horowitz and the wave of like support that came out was pretty remarkable.

So I wanted you on the podcast before that because so we had told me about you and how great you were.

And then when I saw that, that was the reminder of, oh, wow, I didn't actually know much about your company before.

And I started reading up and I was pretty blown away.

So what led you to you're at Silicon Valley, you're working at a startup, bridge the gap.

When did you say, I know what I want to do.

I know what business I want to start.

Okay.

So like many stories, it's not that straightforward.

So during my time as an employee at the startup, I meet who becomes my co-founder.

His name is Rome Portlock.

He went to MIT.

He's been building software for the last 15 years.

Best engineer I know, high integrity is the best technical co-founder you can have, right?

And so I convinced Rome, I'm like, Hey, let's just go start this company.

And you know, a lot of stores have to align for a company to start each have a right co-founder, the right idea.

You got to be willing to take the risk, all of that, right?

And so we leave and we start working on an idea.

It is not incredible health.

Right.

It's a completely different idea at this time.

We've been working on it for a few months, like a year, and it's just not working.

It's not growing.

And it's just you two in an apartment or a working space or whatever.

Yeah.

Yeah.

More work in that department.

And it's not, and you're at the start of the year, you're like, Oh, of course this is entrepreneurship.

It's going to be hard.

By the end of the year, how are you feeling?

Not great.

Not great.

I mean, I'm just like, Oh my God, have I made a big mistake here?

[Transcript] My First Million / #15 - Dr. Iman's Incredible Idea

What are we going to do?

This thing's not growing.

It's a software tool.

It's just not working.

And around that time, see, this is where Wharton comes back in, right?

I had a professor named Adam Grant.

Famous guy.

Now he's famous back, you know, when I was taking those classes, he was, you know, just professor.

Yeah.

One of the youngest tenured professors at Wharton.

And the thing with entrepreneurship, especially here in the Bay Area and probably all over the world is like, you do need the right mentors and advisors around you.

And we're actually running low on cash too.

And so I asked Adam and Adam's a big believer in introductions and so am I actually thing with introductions, it takes like five minutes of your time, but you can change someone else's life.

Right.

So I asked Adam for introductions to six or seven people and he immediately does these intros and who are these people?

Why do you want to meet these people?

These are either former operators who've built startups and exited and or venture capital investors.

And so your mindset, you weren't trying to raise money at this moment.

Was it more like, I just need to talk to some smart people to help me?

Yeah, exactly.

He puts me into it.

One of the introductions is to Hunter Walk, who is a managing partner and a fund here called Homebrew.

He's prolific.

Twitter first, investor second.

Yeah.

Hunter's is awesome.

Right.

Yes.

He's done all kinds of stuff.

But yeah, I know his day job is managing director at Homebrew.

I meet Hunter.

Hunter doesn't invest.

And but what he does do is he introduces me to someone named James Currier.

I know James.

All right.

Coming on the podcast.

Oh, that's great.

[Transcript] My First Million / #15 - Dr. Iman's Incredible Idea

Okay.

He is five time entrepreneur, exited a bunch of times and he's running this fund at the time it was included in Accelerator as well.

Today is just a fun called NFX.

I meet James Currier.

I will never forget this.

You know, this is a Skype call.

He's in Hawaii at some like angel investor conference or something.

I'm my apartment in San Francisco and we're just talking and he's like, you know what?

I really like you.

Rome sounds great to join the Accelerator, the NFX Accelerator and so Accelerator starts a few weeks later.

A few days into it, we're like, okay, we need to pivot.

And Roman and I go into this whole exploration, self exploration, self discovery, thankfully with the support of the NFX partners, right?

And James is good at pivots.

If you ever heard of house party today, yeah, before that they were mere cat, which was like really popular live streaming app right before Periscope blew up and kind of killed them.

And before that, they were something else live on air.

And James was working with Ben Rubin, the founder and like help them pivot to like, he's like, why don't you just keep it super simple and just do this one button that makes you go live streaming on Twitter and that took off.

And I've heard this story from two or three people.

I've gone to him several times just being like, Hey, my shit's not working.

What do you think?

And they feel like within like five minutes, have like this amazing amount of clarity as to why your shit's not working and what might work better.

And you're like, wow, you're so much better at this than me.

This was amazing.

Thank you so much.

Was it like that for you?

That's what I've seen for a minute.

Pretty much.

Yeah.

They're Pete Flint, Gigi Weiss Levy, they're the partners at NFX.

I mean, they have been doing this internet tech startup game since the late 90s, right?

So they've got 20 years on us.

And you see a lot in 20 years, you build a lot in 20 years.

They've made a gazillion mistakes that they can tell us not to make.

They've seen the trends.

They've seen what works, what doesn't.

Having access to really great mentors and advisors is very helpful.

They have to be very high quality mentors and advisors, but they can end up saving you

[Transcript] My First Million / #15 - Dr. Iman's Incredible Idea

six months of time.

Two years of time.

I'm just a big believer now in getting the right tribe and the right people around you so you can succeed.

100%.

And so you go there.

You're like, we need to pivot.

You do your self-discovery.

Is that like you go and you do a bunch of drugs in the field?

What's your version of self-discovery?

No, it's me and Roman at co-working space just trying to figure this out.

Coffee was your drug.

And what we realized is I come from a family of doctors, surgeons, you know, and a lot of my friends are as well.

And they were complaining about understaffing.

At the same time, Rome's sisters are nurses or he comes from a family of nurses.

And they were saying, you know, it takes me two, three months at least to get my next job.

And we're like, what?

This doesn't make any sense.

Right.

And so we looked into it.

Start doing the market research.

Start doing the customer research and realize what a big problem this is.

How inefficient the entire process is.

How is it that a group in such high demand has such a terrible job search experience?

Why it takes them two, three months to get their next job.

And like, we're like, this doesn't make any sense.

And then that's when we're like, okay, there has to be a better way.

And so you're okay.

And that line is really key.

Most ideas come from that there has to be a better way.

When you say that to yourself, if you ever find yourself saying that, just realize you've stumbled on the nugget of what could be a business idea, because this is a problem.

And this current solution sucks, and there has to be a better way.

And like, if you just keep looking for those moments, you may stumble into your idea.

So you realize the shortage.

What causes the staffing problem?

What causes the delays and the long timelines and the understanding?

What is the root cause?

Two root causes.

Number one, there's just not enough supply.

There's just our demand for healthcare as the country keeps going up.

We don't have enough workers in the system.

[Transcript] My First Million / #15 - Dr. Iman's Incredible Idea

But the second problem that's even more urgent is that the hiring tools and processes that these hospitals are using and healthcare facilities in general are using have not changed since like the 80s.

And they're relying on external job boards, like, hey, I post a job and hope something great happens, or traditional recruiting agencies.

Now the issue with job boards is its quantity over quality.

Yes, you get a lot of applicants, but you're relying on humans to sift through all of that, to screen through all those applicants to match them to the right jobs.

When each hospital recruiter is trying to fill 100 jobs at any given time, that is crazy and efficient.

And then the traditional recruiting agencies, they're also using humans to source and to screen and as a result, you know, they're very expensive.

They're charging \$20,000, \$30,000 or more per hire.

And so that's not cost effective for a hospital.

Now the thing is this problem we're tackling is very urgent for hospitals and for our health system as a whole.

Because when you're understaffed, you cannot deliver quality care, right?

You need great healthcare workers to deliver their product, which is care, right?

And when you're understaffed, you're paying overtime, you're paying for contract workers, which usually costs two times more than your permanent workforce.

And hospitals are thin margin businesses and that eats into their margins.

Coupled with that, you're burning out your existing staff because you're asking them to work overtime and the harder your existing staff is working, the more likely they are to create medication errors, readmissions, patient satisfaction goes down.

Honestly, more patient mortality goes up when you're understaffed, right?

So this is like a hair on fire.

If they're overworked to lead to, which means you're understaffed.

Exactly.

So the turnover is very high in this industry as well because they're getting burnt out.

So this is a hair on fire problem for every hospital CEO and their entire C-suite.

It is a problem for those running hospital units.

This is a significant issue.

Yeah.

And so you started to realize this and there's two paths I want to go.

I want to figure out, okay, what'd you do with that information?

Once you realize this is a big problem, how did you go about solving it?

The other side of me is just really fascinated with how a hospital works.

Maybe it's because I just had a baby 13 days ago.

Congratulations.

Thank you.

Wow, and you're here.

That's great.

And I'm here.

Well, is it great?

[Transcript] My First Million / #15 - Dr. Iman's Incredible Idea

That's the question.

I think my wife, maybe she says it's not great, but when we were there, the nurses were so amazing.

We had a baby at Kaiser here and literally there's a nurse, Laura, that I will never forget her.

She was so incredible.

She was so thoughtful, so helpful.

We stayed like an extra night because we were like, why would we go home?

This is amazing.

And normally, I never want to be in a hospital, but this was such a great experience because of the nurses specifically.

So my interest is in this area right now, so tell me a little bit about hospital work.

So you said hospitals have margins, hospitals have CEOs.

Most people, I think when they think of a hospital, it's just they think about the sort of, it's almost like a public school, right?

It's like, you go there, you get your service, and you leave.

You don't really think of a hospital as a business.

So tell me about the hospitals as a business.

So are hospitals for profit or non-profit typically?

Yeah, so there's 6,000 hospitals in the U.S.

And just to be clear, I mean, hospitals aren't the only type of healthcare facility we have in this country.

There's also urgent care and skilled nursing and surgical centers and it's a huge industry. And hospitals specifically usually run on very thin margins.

3% is the average.

Relatively poorly run hospitals, 1% or less.

A very well run hospital might be 5% margins.

50% of their operating cost goes to labor.

This is a very labor intensive industry.

You need your healthcare workers to deliver the care.

The doctors and nurses, all the other allied health professions are needed to make this work.

This is like a restaurant, but worse.

A restaurant's like 10% margin and 35% labor cost, 30% labor cost.

This is even harsher in that sense.

And who owns the hospitals?

Are hospitals usually independent, city-owned, is there franchises?

Tell me about that.

I don't know anything about it.

It's a whole range.

Most are non-profit.

There are some for-profit hospitals as well.

There's some that are publicly traded.

I mean, the way I think, if I was to segment the industry is primarily three main areas.

[Transcript] My First Million / #15 - Dr. Iman's Incredible Idea

One is academic medical centers.

So Stanford, healthcare, Cedars, Sinai, USC, UCSF, these are all clients of ours, but they're academic medical centers and they're usually affiliated with university.

And then you have your large health systems, HCA, Tenet, Providence, St. Joseph, Adventist Health, also clients of ours.

These are large health systems, some of which are publicly traded as well.

And then you have lots of community hospitals.

Gotcha.

So that's my healthcare in a box, I understand.

Once you have this insight and you're like, okay, that's what we want to do, you're in an FX at this point, where do you go from there?

How do you get this thing off the ground?

The other key point I want to just make really quickly, just before we leave the topic of aviation, is yeah, you want to solve a significant problem.

There's probably three or four other criteria that you want to meet before you start committing 10 years of your life to it.

Hair on fire problem.

That was one.

That was your checklist.

Yeah.

Hair on fire problem.

It should be ideally a huge market because if you just capture 1% of it, 2% of it, then you're fine.

The third piece is whatever you come up with, your unique insight needs to be at least 10 times better than what's already out there.

It needs to be faster, better, cheaper, whatever it is, but at least 10 times better.

It can't just be some small incremental improvement.

How do you judge that?

Because everyone loves their baby.

Everyone thinks their ideas are 10 times better.

So what's a more nuanced way of thinking about it?

Is it 10 times better at one thing, like 10 times cheaper or on one axis?

Is that the way to think about it?

Or like, I guess for you guys, how did you come up with, yeah, this is 10 times better, not two times, not three.

Yeah.

It's either 10 times cheaper, 10 times more efficient, 10 times better in NPS score or customer experience.

So deciding in what way am I 10 times better is a more intelligent way than just believing and just loving your own thing so much.

Absolutely.

And it doesn't even necessarily have to be 10 times better technology, right?

It could be looking at it be a different business model or different approach.

It could be lots of different things that make it 10 times better.

[Transcript] My First Million / #15 - Dr. Iman's Incredible Idea

Right.

Okay.

So that's, so hair on fire problem, large market, 10 times better solution.

What was your other one?

Competitors.

All right.

So ideally you don't want 500 competitors.

Okay.

You also don't want zero because maybe the market doesn't exist.

Right.

You know, the ideal is, I don't know, 10 to 30, this is a little bit arbitrary combination of publicly traded companies or like incumbents, maybe a few startups, but that's it.

Yeah.

And so you went down this checklist and you're like, okay, this idea seems to take all the boxes.

Yeah.

One more criteria.

I thought that founder market fit, what uniquely suits you as founders to solve this idea specifically.

And so for you, this was pretty natural.

Yes.

You and your co-founder.

We were very comfortable with healthcare.

And did you think of other ideas that didn't fit that like where you're like, oh, I'm going to make a credit card or some other style of business.

We thought of a lot of ideas and because they didn't meet one of those criteria, they were just filtered out.

And how long did you spend kind of going through ideas?

Was this a week, two weeks a month?

We were under pressure.

Demo day was coming up.

So we had.

Yeah.

Maybe four weeks.

Four weeks.

At most.

And so what was the day of the life like at this time?

You wake up, you go to the whiteboard or what was your guys' process during those weeks?

Yeah.

It was a lot of whiteboarding.

It was a lot of talking to the NFX partners.

It was talking to, you know, family members that was very helpful.

My brothers were very helpful with the ideation phase.

It was reading science fiction, Isaac Asimov.

It was watching Black Mirror.

[Transcript] My First Million / #15 - Dr. Iman's Incredible Idea

It was, you know, whatever it takes, whatever inspires you.

Yeah.

And so you were, you're doing this and how are you feeling during this time?

Was this an energizing time or was this like a, oh my God, stress?

This was the highest stress point I've had in my entire entrepreneurial journey.

Pivoting is hard.

But the thing is it should be acceptable.

A lot of massive companies today were pivots, Slack, Twitter, Twitch, many, many, right?

And so Instagram, you just have to be bold, like many things in entrepreneurship.

You just have to be brave, bold and just take the leap and pivot.

Yeah.

So Instagram started as like a location check-in service called Bourbon.

Slack started as a video game.

Discord started as a video game.

Twitch started as JustinTV, which is a totally different thing.

Groupon started as a political activism platform and they all pivoted into these really big successful companies.

So pivots definitely can work, but like you said, very difficult.

And the further in you go, the more difficult it gets.

So you guys were pivoting with two people.

You know, sometimes I pivoted when we have 20 people working at the company.

That's a very hard pivot to do.

Some people do it at 2,000 people, that's I'm sure it's even harder.

So, so you can pull off the pivot and, and so where do you like, first time you come up with a name because the name is like incredible health.

It's an incredible name.

Where did the name come from?

I know the NFX guys really care about names.

They care a ton about names.

That's not Silicon Valley's like, oh, marketing, that's just something you do last.

Like just engineering, engineering, engineering, whatever name you want, slap out on it.

Like most people don't think about names.

The NFX guys are like, no names, super matter.

They do matter.

James Currier has a whole talk, a whole rant, maybe he'll do it on your podcast when he's on where language matters.

Everything from the name of your company down to like the tiny copy in your app to your emails that you're sending out.

Language matters.

It is often the first time users or customers, clients interact with you.

So they were, we went through a lot of different names, James Currier was really helpful in this as well.

We went with incredible health because it's unique, it sounds big, sounds amazing.

I mean, who doesn't want to be affiliated with a company called Incredible Health?

[Transcript] My First Million / #15 - Dr. Iman's Incredible Idea

You know, if you're an employee, an investor, a client, I mean, incredible.
It's incredible.

Yeah.

So who came up with the name?

Oh gosh, I think I'm pretty sure we were in James Currier's garage just going through a bunch of names.

Me, Rome, James, you know, yeah.

And what was like the other contenders or like the really bad names?

I mean, I honestly, I can't even remember, but it was fairly good health.

Yeah, exactly.

It was just, you know, you need to also look at domains and trademarks and this and that as well.

Yeah.

It was all stuff.

It was all names that sounded over the top.

I mean, you guys today, it was a sense of like the success so far.

You're obviously early in the journey, a long way to go, but you've definitely done enough where, how much did you raise in the most recent round?

Yeah.

So we raised 15 million led by Jeff Jordan, Andreessen Horowitz.

Jeff Jordan, if your listeners don't know, he's probably the top marketplace investor in the world.

He was the CEO of OpenTable, president of eBay, he was early investor and board member right now at Airbnb at Instacart, at OfferUp, at Lime, at Pinterest, you know, he knows what he's doing.

Yeah.

Yeah.

Yes, exactly.

So where are we now?

So we've been working on this for two years.

We have grown across California.

We have over 150 hospitals using our platform right now, including Cedar Sinai and Stanford and HCA and, you know, many others.

And the reason we raise the Series A actually wasn't because we needed it financially.

We were actually doing quite well.

We built the California business to the point where it was profitable.

The reason we raise the Series A is to take over the entire market to become a category defining market leading company as quickly as humanly possible.

Man, the smile on your face when you said that, you were loving that idea.

That was the biggest smile I've seen from you so far.

She even raised an eyebrow a little bit as you like wanted to take over the world.

I love it.

Yeah.

So you...

[Transcript] My First Million / #15 - Dr. Iman's Incredible Idea

And I will say this, our mission, I just want to mention our mission, right?

Our vision is to help healthcare professionals live better lives and our mission is to help healthcare professionals find and do their best work and that's what we're trying to achieve.

The entire team is on a mission.

I love it.

Yeah.

So the business model then is when you place somebody, you take a cut or how does incredible health make money?

Yeah.

The employer is paying incredible health when they hire.

Not on a subscription.

It's like...

No, there's different...

We have a couple of different models out there customized per client.

You know, they can purchase a pack of hires or there's also subscription as well, where they just get access to the platform.

And so is the key metric for you guys like, you know, how many people placed per month or how many hires...

Number of hires.

Exactly.

And what's your goal?

Is it like...

What are the two of that?

Is it, you know, a certain number?

Is it a growth rate?

How do you think about that number?

What are your metrics?

It's a monthly growth rate in number of hires.

And so what do you want?

20% per month or something like that?

Yeah, exactly.

And so why 20%?

How do you decide that?

Every entrepreneur has to decide their own goals and sort of your fate will lie in both picking the right goals and then your ability to execute.

But if you pick the wrong goal, you know, that's a pretty weird failure case because, you know, you succeed at hitting the wrong goal.

Yeah.

So how do you pick 20%?

Well, every company, KPIs and metrics matter a lot.

A company at the end of the day is one giant project, right, and it needs to have goals.

And so picking what the right metric is is going to vary by company.

In our case, this number of hires in other people's cases is going to be monthly active users.

[Transcript] My First Million / #15 - Dr. Iman's Incredible Idea

There's going to be one metric that is the most important.

And then there's secondary and metrics as well that also matter.

Picking the right metric matters because you want your entire team, regardless of their function, focused on that metric, because every team has levers that influence that metric.

In terms of what the actual growth rate number is, I mean, that's a function of your ambition, whether you're venture backed or not.

Yeah.

So how did you pick 20% just in your case?

If we want to take over the entire market in less than, say, eight years, like that's the growth rate required.

Love it.

So you work backwards from the end state, the wave foundation.

Exactly.

And so what were the moments along the way?

Because now everything sounds pretty good.

You've told us about when you had to pivot and how tough that was, the stress of doing that when you have a demo day four weeks away, where you're going to be on stage telling investors, this is what I do.

And you don't even know what you do yet.

So that's really tough.

But I think once you have the funding, once you have the clarity, once you have the team, once you have some momentum, things do start to work.

Were there any other moments of doubt or rejection or any other real struggles that you guys went up against that you remember?

Yeah, multiple.

And honestly, we still have them.

I think raising our seed round, the initial capital was challenging.

The Series A was a lot easier because you have more proof points and we were fortunate enough to have all the top three venture capital firms in the world wanting to invest in.

So we were able to be very selective.

The seed round eventually, so, okay.

So we just raised a \$50 million Series A, this summer 2019 is when we closed.

Two years ago, when it was just Rome and I, we were raising our seed round.

We were just raising the initial \$2 million.

And at that time, honestly, there's two co-founders and an idea.

We have a couple of health systems or hospitals that are in contracting.

We have some nurses on the platform, but there's not much going on yet.

And probably have to go through 75 to 100 meetings to get that seed round done.

By the end, it was over subscribed, but, you know, yeah, it was a grind.

And the thing is with fundraising and one thing that entrepreneurs may not realize, especially those outside of the Bay Area, is that it is a little bit of a game.

There is a playbook and you have to know the rules of the game.

How did you learn those rules?

The best advisors and mentors in the world.

[Transcript] My First Million / #15 - Dr. Iman's Incredible Idea

Okay.

And if somebody out there is listening, they're like, okay, there's a game, there's rules, and there's a playbook, where the hell do I find this thing?

How do they get their hands on this playbook?

There's a few ways.

Number one, go to nfx.com and read their content.

Okay.

I'm sure they have multiple blog posts on how to raise.

And number two, get the right mentors and advisors.

And the danger here is I notice a lot of people who call themselves mentors, advisors, experts in entrepreneurship, and there's a risk of them taking advantage of entrepreneurs.

What you have to look at is their track record.

Have they been CEOs?

Have they exited?

What have their successes been?

People track records, you know, you can look up online so you can figure out if someone's legit or not without even talking to them.

And for you, when you reach out to these people, are you reaching out saying, hey, please be a mentor?

Are you saying, hey, let's get a coffee?

Are you saying, hey, can you help me with this specific thing?

What worked for you as far as recruiting those mentors to you?

I usually do very succinct, concise emails with a ask.

The other thing that really works is warm introductions.

So having Adam Grant facilitate the introduction helped.

Having Sully Alley, who's one of your former guests here, facilitate intros helps.

Warm introductions helps.

Yeah.

In fact, Sully helped even more.

So in our intro, so he was like, hey, I was like, I want to have her on.

He was like, great, here's the intro.

You guys should meet.

And I was like, great, I'd love to have you.

You were like, great, I'd love to come on.

Let's schedule it for like two months from now.

And Sully did the best thing ever.

You know, when you're emailing with somebody, you usually BCC out the person who made the intro.

You're like, okay, I'm moving you to BCC.

Now we'll take it from here.

And he jumped back in from BCC and was like, no, no, no, don't wait two months.

Do it like this weekend.

Do it now.

And so that's the type of intro that like you can rarely get as somebody who will vouch

[Transcript] My First Million / #15 - Dr. Iman's Incredible Idea

for you, not just in the introduction, but really say, no, no, you need to meet this person.

You need to do this.

Come on.

Let's do it.

Yeah.

That goes, those little things can go a long way.

Absolutely.

And then there's an overall like context here that we can't ignore.

And that is the culture of Silicon Valley.

It's the culture of the tech scene in the San Francisco Bay area.

This is a culture where people help.

Yeah.

Pay it forward culture.

It's a pay it forward culture.

Usually when you ask someone for something, especially that came through a warm introduction, they usually help without expecting anything back, without expecting anything back.

Honestly, that is, look, I'm really biased and I've pretty strong opinions that if you're building a technology company and you want it to be huge, San Francisco Bay area is still the best place in the world to do it.

So to the extent that you can get here and build your network here, that is a huge advantage.

Yeah.

I was similarly minded when I, about six, seven years ago, when I moved to San Francisco, I was sitting in Australia and I wanted to start a startup and I just knew, well, if I can come to Silicon Valley, that's the Mecca for startups.

I don't know why.

I don't know what's better about it.

I don't know what I'll get out of it, but I just knew I got to be there.

It's like, if I'm going to be an actor, I got to go to Hollywood.

Correct.

That's how I felt about it.

If I want to do a startup, I got to come to San Francisco.

And of course you can start it anywhere and there are many great examples.

But if you don't have anything tying you down to a certain place, don't be afraid of just jumping in.

In fact, the first thing I did was I just changed my phone number.

I just changed it to six, five, oh area code, which I thought was San Francisco, but it's actually Palo Alto.

So I kind of missed, but I did that when I was sitting in Australia and just to mentally make that shift.

I was like, no, I'm there.

I'm a local over there.

And then I just moved and I said, I'll figure it out after that because I believe proximity is power.

[Transcript] My First Million / #15 - Dr. Iman's Incredible Idea

And if you can get around people, if you can get proximity to the people you want to be like, things will just work out of osmosis just by being around those people, you will get better.

Yeah, absolutely.

And the law has been written about the talent in the Bay Area, the capital in the Bay Area, the mass of companies that have grown out of the Bay Area.

One area that's not talked about enough is the information network in the Bay Area.

And the Bay Area is its own network effect.

And when you can talk to CEOs or engineers or data scientists or marketers or whoever who are building some of the biggest companies in the world and the fastest growing, you know, one 30 minute coffee can end up saving you eight months of time.

These information networks and the information exchange that's happening and it's happening thousands of times a day across the Bay Area over coffee, lunch, dinner, brunch, you know, like drinks, whatever, that is a lot of information being exchanged.

And it could be tips on fundraising, it could be who to hire, it could be KPIs, it could gross tactics, it could be lots of different, you know, even information that's not supposed to be shared, that's proprietary about competitors and so on is being shared, right?

So you do want to like hook yourself into that scene.

And the culture you mentioned I think is real because the analogy I give is, okay, if you go to Vegas and you walk around the middle of the day in Vegas, you'll see people holding this like two foot Pina Colada walking around outside.

It is culturally normal to drink during the day, to stay up all night, to do all the things that people do in Vegas.

And people love Burning Man for this reason too.

If you go to Burning Man, it's culturally okay to just hug strangers, you know, go share food and there's no money.

There's a culture of Burning Man that makes certain behaviors normal.

In San Francisco, the Silicon Valley in general, there's a culture that says it is totally normal to believe that you, just average old you, can build the biggest company in the world, can change the world, can do anything.

If you meet people here who work for a bank or work for a consulting company, they almost apologize when they make their intro.

They're like, yeah, you know, I work at whatever, Bane, but that's just for now.

Like, I'm waiting to go do my next startup, you know, like there's a culture here where the normal thing to do is to venture off, create an invent a new idea and go try to build a company.

It's really normal in most places.

And just having that shift from being you're the outlier to you're part of the norm is a pretty big cultural shift.

And if nothing else, you get that just by being here is it's normal to be a little bit crazy here.

Yeah.

And that works in your favor.

Yeah, absolutely.

[Transcript] My First Million / #15 - Dr. Iman's Incredible Idea

All right.

Now we're done with our Bay Area ramps.

Yeah.

Everyone else at the Bay Area is like, all right, you know, these guys are drinking the Kool-Aid over there.

Yeah.

Well, it's an expensive place.

That's the one knock against it.

The cost of living, the cost of running a company here is very high.

I mean, the only way I'm able to justify it is the increase in your company's value.

Value.

Exactly.

It might be two times more expensive, but your company might end up being 10 times or more valuable.

And so you talked a little bit about NFX.

What are some other things that you read like when you go open up your laptop and you, you know, you open up some tabs, what are some things that you like to read that makes you better?

Because I found that one of the things people really like on this podcast is when we share out like, hey, I go to this subreddit every day or I go to hacker news and the show tab because that's where I get to see new ideas.

I'm just curious.

What are some things that you like to read from podcasts you listen to?

What makes you better?

And maybe other people will like those resources too.

I'm a big fan of reading content written by operators that have been successful or investors that have been successful.

Operators.

I mean, that's kind of an obvious one, right?

For the investors, I mean, the one thing about them, and I know, I know VCs get a lot of, you know, criticisms, but the best ones, they're paying attention to entire trends, landscapes, markets, and sometimes what they write is pretty good.

A lot of it's not.

So you have to pick and choose what matters.

So who do you really like to read?

Yeah.

I love NFX's content.

I think first round does a pretty good job with content.

I think Bill Gurley specifically has a really fantastic blog.

And are you big on books?

And I've met two schools of thought when I've been doing this podcast.

One is people who are like sponges, they're constantly looking for information.

They read it, they digest it, they love it.

[Transcript] My First Million / #15 - Dr. Iman's Incredible Idea

And there's other people who are like, yeah, I kind of like dismiss all of it.
Like I really don't read any blogs.
I try to stay off Twitter.
I just focus on like doing my thing.
And so which camp are you more in?
Are you more of a sponge or are you more in like just blinders?
Honestly, I do both at different times.
If you're seeking inspiration and trying to stay on top of things, and yeah, you need to read the blogs, read the books.
If you're just trying to get stuff done and move your metric from, you know, 15% to 20% or whatever it is, then you need to just focus on that.
Twitter and all that becomes a huge distraction.
And so let's finish out with a bit of advice to, you know, you when you were 21.
So not specifically you, but the next you.
So somebody who's today, you know, they're a smart person, they may be going to med school or they may be thinking about, it seemed like for you, it was really important to make an impact, but you didn't know how.
I think that's probably really common of like, you know, I want to do big things.
I want to have a big impact, but where the hell do I start?
And so what would you be saying to like the 21 year old version of you who's thinking those thoughts?
Yeah, great.
Look, I've thought about this a lot actually.
And I have a whole, a framework that I'd love to share.
Please.
And it's a career framework, particularly for those in business careers.
I think there's only three things that you can aim for.
Number one is cash, number two, skills and learning, and number three is lifestyle.
And at any given time in a particular role, you can only optimize for one of those three things.
You're going to compromise on the other two.
So if you're trying to optimize for cash, especially risk adjusted, then yeah, go to investment banking, go to management consulting, you're optimizing for cash, you're absolutely going to compromise on skills and learning.
And you're going to compromise lifestyle, particularly those in investment banking and other finance roles.
If you're trying to optimize on skills and learning, then go to startups because you're going to learn the most and gain the most skills in the shortest period of time.
And that could be found in your own company, it could also be an early employee and you're absolutely going to optimize on skills and learning.
You're probably going to compromise on cash and you are probably going to compromise on lifestyle because you got to work a lot.
Now if you want to optimize for a lifestyle, you should just go join some giant corporation like Google or Facebook or Microsoft or even in the non-tech world, Genentech and you are

[Transcript] My First Million / #15 - Dr. Iman's Incredible Idea

definitely just going to work nine to five.

You're going to optimize on your lifestyle and you're relative to the finance industry, you'll compromise a little bit on cash, but it's still pretty good.

And then you'll compromise on skills and learning because guess what?

Not that much gets done, right?

And you're not going to have that much of an impact if there's 20,000 other people.

And so decide what matters to you and what you want to optimize on at any given stage in your life.

This isn't a judgment thing and people can pick whatever they want.

You know, I have plenty of friends who are, you know, moms and dads and they're starting to pop out kids and they want to just optimize on lifestyle and that's cool, but just know that's what you're doing, know that you're compromising on other things.

If you want to optimize on skills and learning, which is what I pretty much optimize on all the time, I'm just trying to learn as much as I can, as quickly as I can and gain as many skills as I can, then absolutely go for startups.

And if you're optimizing on cash and you don't want to take on any risks, then yeah, just go into finance.

Why do you pick to optimize for the learning skill side?

That just a lot of that has to do with how I grew up, my values.

I have no problem with risk.

I'm generally quite risk taking education and learning was a big deal in my family.

It's one of my parents values.

It's prevalent throughout my family and it's just where my interests lie.

You like scratching the itch, the curiosity.

And as a result, I mean, most people you employ at a startup are also trying to optimize for skills and learning because I mean, why else are they there?

Yeah, you surround yourself with other people who have made the same choice essentially.

Yeah, absolutely.

Yeah.

That's a good one.

I have a similar framework.

You're either trying to learn, earn lifestyle or legacy.

The last one is legacy, which is that's around impact, which I think you're also kind of doing right now.

And so at any given time, you switch gears.

So like when I was in my twenties, I specifically said, this is the time to learn.

And so I started one startup and the second start and then I joined a startup and I just kept doing that even though they weren't super high paying jobs.

In fact, I lost money in some of them, but it was like, oh, that's my business school.

I'm learning how to do business.

So that one only cost me 30 grand.

No problem.

And then as I shifted, it's like, okay, now it's time to cash in some of those chips.

Let's earn a little bit.

[Transcript] My First Million / #15 - Dr. Iman's Incredible Idea

Yeah.

Why are we earning?

But we're earning so that we can have some cash in the bank so that I can go on another learn sprint where I have enough supply saved up that I can go take some time and build whatever I want, learn whatever I want, do whatever I want.

And so switching gears, depending on where you're at in your life is pretty important for that.

Yeah, absolutely.

Other question I would have for someone like you is, if you weren't doing this company you're doing now, what space or idea is most intriguing to you?

So if I could, if I took incredible help off the table, what peaks your curiosity a lot where you're like, yeah, I don't know what I would do, but I would kind of go in this direction.

This interests me.

Yeah.

Great question.

The areas I'm comfortable is like the healthcare technology industry, right?

So within all this answer, the question just within that, I think there was a lot of founders that are working on things that are patient facing.

I don't think there's enough founders working on things that are more around the operations of it.

Like there's a whole backend stack to the healthcare industry where there's just not enough innovation.

We're tackling one happens to be labor staffing, but there's compliance and revenue cycle and you know, lots of different areas in the operational stack of the healthcare industry that is just not enough innovation.

So I've thought about ideas in that space, but the thing that always scares me is the adoption of healthcare already has, you know, certain rules and regulations that are hard to be compliant and be a system that can be used.

But you said the hospitals you were going into, the systems they were using from the 80s, guessing it's like that for all their systems, essentially.

So how do you navigate that adoption?

Like how do you get somebody to adopt incredible health?

You have to solve a real need and be at least 10 times better.

That usually gets you in the door.

And then the other piece about the distribution of this is you just need fantastic language.

And we talked about that earlier and fantastic people who can get access.

And another thing is just don't be intimidated.

Look, it's all hard.

Whether you're building an industry at company in healthcare or tech or whatever industry, it's all hard.

They all have different challenges.

And but you know, that's what makes it so exciting too.

And so if somebody wants to get in touch with you after this, they hear this, they're like,

[Transcript] My First Million / #15 - Dr. Iman's Incredible Idea

wow, she was great.

I want to talk to you.

What's the best way to follow you to get in touch with you?

Shout out basically how people can get more of you.

Yeah, I do want to do a quick plug that we are hiring.

Great.

Especially here in the Bay area.

We are hiring in account management, software engineers, designers, marketers, any role, product managers, pretty much every all the key roles we're hiring for.

We need great people who are going to join this mission and how to get in touch.

Yeah.

I'm Emana, incredible health.com.

The website is incredible health.com.

I'm also on LinkedIn and Twitter and Facebook.

So you know, those are all channels that I check.

Okay, great.

I appreciate you coming in and telling the story and I love what you're building.

Very rarely do you find a business that is both like a super interesting business model, like a lucrative, wow, if somebody built the marketplace or staffing one of the biggest labor industries we have, that would be really valuable company.

And then the impact that that has, or wow, if we can get more awesome healthcare professionals placed quickly, that would be like the knock-on effects of that are huge.

And so I love that this has both the sort of the business fundamentals to be so juicy, but then also the impact.

I often find that you have to trade, and this is one where I feel like you didn't trade.

You got both.

You got the impact and you got the business side right.

That's right.

One other thing is just to help out entrepreneurs specifically.

I believe in the power of intros, one introduction can change someone's life.

If anyone wants introductions to these amazing mentors and advisors that have helped us on our journey, whether it's the team and NFX, James Joaquin at Obvious Ventures, also in a very experienced operator, Charles Hudson at Precursor, Jeff Jordan in the Andreessen team, Andreessen Horowitz team, like whoever, right?

I'm happy to help.

And then quick plug just for the women entrepreneurs out there.

I am a woman.

And the minorities.

I am a minority too.

It's hard.

It's harder.

And so I'm happy to help.

Love it.

Great.

[Transcript] My First Million / #15 - Dr. Iman's Incredible Idea

Thank you so much for coming.

All right.

I need the dollar, dollar, dollar that's what I need.

If I share with you my story, would you share your dollar with me?