



Starkey Sound Bites

Episode: Growing Opportunities for Hearing Healthcare Professionals

Dr. Dave Fabry:

Welcome to Starkey Sound Bites. I'm Dave Fabry, Starkey's chief innovation officer. Now it's May, which is Better Hearing Month, and I can think of no one better to speak on this topic than Starkey's president and CEO. Brandon, you, for 29 years, have been thinking about hearing 24/7/365, so it's appropriate that you be here to sit and come back to the podcast to talk a little bit about better hearing.

Brandon Sawalich:

Thanks, Dave. And I appreciate it because yes, I've grown up in the industry. Yeah, I've thought about it for 24/7/365 for 29 years and coming June with Starkey. But what's great about it, it's like the last couple years it's now more forefront. People are thinking about it, they understand it. It's not just about a hearing aid, it's about hearing health.

Dr. Dave Fabry:

Right. I mean, we wring our hands a little bit and there's been an awful lot. You've been a very calming force to the industry and to Starkey during the OTC era, as I call it, which kind of coincided with the pandemic. And a lot of hand wringing and people got worried about what's going to happen, and this and that and the other thing. And you've been remembering that caring can't be commoditized, that keeping a steady hand and focus on the patient is going to mean that there's plenty of business for all of us. And so far I think your predictions have been pretty spot on.

Brandon Sawalich:

Well, I know. Thank you for the calming force because there's times where it's probably more frustration when you read about misinformation or you see the pictures of how they're depicting hearing aids and hearing technology in 29 years, and I won't speak for yourself, but you've dedicated your life..

Dr. Dave Fabry:

40.

Brandon Sawalich:

Helping people. And it's an insult is the way I look at it, and I don't say that publicly to be demeaning to people because some people just don't know. But you what we know from our experience, we've been here long enough, we know the psychology of the hearing impaired, we know our customers, and it is about caring. It's about better hearing, not a piece of plastic, and it's about the service and the care for that patient. And we had the predictions and you never want to say, "I told you so," or, "Yeah, I was right." But we've seen this time and time again, it just had a bigger audience and a bigger advertising.

Dr. Dave Fabry:

Yeah. And I think if there's a good thing that came out of this, 40 years this year I've been an audiologist. And one of the things is I've spent-



Brandon Sawalich:

What month?

Dr. Dave Fabry:

I guess technically July.

Brandon Sawalich:

July, okay.

Dr. Dave Fabry:

So yeah, when I graduated 40 years. So I think one of the issues is for my entire career, I've had to arm wrestle people to get them to acknowledge that they have a hearing loss and consider use of hearing aids a seven to 10-year delay. And if anything, this issue of the focus that began in the Obama administration continued in the Trump administration with the signing of the OTC bill. And then when President Biden ensured that the FDA got the final regulatory ruling and approval through, it did put us on the map. Now we're in the conversation, as you said, over the last few years. Hearing, and the awareness for better hearing, has never been higher.

Brandon Sawalich:

And there was a moment, I think it was around 2016 for me, when everything, it was just happening. And you're trying to educate and you don't want to be against it, but you hear what people are saying and you're trying not to be defensive and all of this. But then I had a moment where I realized, "You know what? Use this to our advantage." And it really became clear to me, and it was I believe January 6th, was it 2022 last year when President Biden was in the Rose Garden and talked about the OTC and going to get that through. And that's fine, but that's national awareness. All right, so here's OTC, but use that as a stepping stone to educate. And we'd been doing that, doing it before, but it really brought attention where we could have conversations with national media, we were having conversations with federal agencies and other agencies about hearing health and the FDA.

And they were productive conversations because both sides, and you were there with me, 2015, '16 where the hands were crossed and everybody's kind of figuring out, "What's going on?" And Starkey stepped up through a lot of team effort, HIA stepped up with Kate Carr and the team there. And came together with Barbara Kelley, HLAA, and there became a consensus of what is right, what is wrong, and there's sometimes going to be just good enough. So it really started off from a policy to a campaign of education. And it's worked out. And for the good, I think for us in our business because we're here to help people, but also the negative is the misinformation that's out there.

Dr. Dave Fabry:

Yeah. I mean, even last month I was on the local television, one of the local television affiliates, and I brought along some historical hearing aids, if you will. But unfortunately in the context of that, a lot of people don't realize that hearing aids were the very first medical device to incorporate transistors at the time that they were developed in the '50s. Looked like a big shrimp or banana behind your ear. And unfortunately, a lot of people still think about hearing aids in that matter. You mentioned it's not just the plastic behind your ear, it's carrying, but people still think of this large unsightly device that stigmatizes hearing loss and the use of hearing aids.



Brandon Sawalich:

Well, the internet is not going away and that doesn't help us when you look at images. Also, I think there is an opportunity. National media, the big three, whether it's with CBS, ABC, and NBC and then fourth being Fox, and others that are doing news, is having pictures, just images of hearing aids-

Dr. Dave Fabry:

Yeah. Updated images.

Brandon Sawalich:

... that are relevant to what's going on today. And they want to, I do believe that. It's just getting that, building those relationships. And then what I've been surprised about with OTC is the quality, because we knew it'd be touch and go, but the type of products that we saw 13 years ago, 20 years ago, as PSAPs are even a step further back from then because of the plastic. And that's the misinformation that gives hearing aids a bad reputation.

Dr. Dave Fabry:

Yeah. And at the same time, so to put the positive spin on it in the sense that if OTC helps address hearing loss for a person to shorten that seven to 10-year delay for entrance into the position rather than sets it back, if it provides an on-ramp into prescriptive care or for those who can handle it, if it is a solution for them, great. Then accessibility and affordability has been achieved.

Brandon Sawalich:

But that's the positive and the negative, there's the positive on-ramp and then there's a negative on-ramp. Coming and complaining versus, "Hey, what is this OTC? And I am interested in hearing health," which is really why we've stayed in the course, as you know, you and others have been instrumental here at Starkey to getting us to where we're at today with premium hearing technology that is right for the patient. It's not about OTC. That's somebody that's okay, maybe we'll try it out, but hearing health is much bigger than an over-the-counter acronym.

Dr. Dave Fabry:

Yeah, absolutely. And anything that increases the adoption rate for the 430 million that have hearing loss worldwide today expected to get up to 700 million or more by 2050. And the adoption rate around the world, no matter where you are, is less than half in every country where hearing aids are available, and in many areas much lower than that.

Brandon Sawalich:

I just think 30-some-odd whatever years you'll be in the industry, again, close to a billion people need hearing help.

Dr. Dave Fabry:

I'll be there.

Brandon Sawalich:



We're a great industry. I mean, it's an aging population that it drives us every day. I don't see an end in sight. I used to think that the industry would peak in 2030. I don't think so. I think you're thinking at a whole new demographic and a whole new opportunity, hearing protection, people that have normal hearing but want the enhancement, and other features that we've worked on, and then yes, the population that we currently serve. So there's opportunity not as a company to just grow and be more profitable, because we invest back into Starkey, we have an opportunity to help more people.

Dr. Dave Fabry:

Absolutely. And we've talked in the past on Sound Bites with Luke Marsh and SoundGear. People say, "Well, why would a hearing aid company be focused on preventing hearing loss?" And there's plenty of work for all of us ahead, and the fact that we're focused on prevention as well as treatment, I think is exactly within our lane.

Brandon Sawalich:

The Veterans Administration is our largest customer and we very proudly do what we can to help our veterans. And I've told many senators in the last four or five years, "I hope the VA is not our largest customer a decade from now or even six years from now, because it could be prevented upfront with our active military men and what we're doing with SoundGear." And they're listening. I mean, they absolutely... So it's about helping the upfront and then the aftermath.

Dr. Dave Fabry:

Yeah, an ounce of prevention is worth a pound of cure. And so in that respect, I think we're seeing advances in technology across the complete spectrum. You with 29 years, me with 40 years. I wake up every day, people ask me and every day I'm trying to get into the office as quickly as I can. I come in with the same excitement and energy that I did 20 years ago.

Brandon Sawalich:

And we have similar backgrounds from a standpoint of small town growing up, and I'll say Midwest values, your 40 years is well-rounded. My 29 is rounded from a standpoint of I've been around you, I've been around Bill Austin, I've been around our customers, and I have worked with patients. You have done it more than, I know others, of course Bill, who we know-

Dr. Dave Fabry:

He's done more than anybody.

Brandon Sawalich:

But that's your passion. Now, you bring that passion to what we do for the right reasons. And on the service side, what can we do better for the patient, the technology and the service component and the quality and thinking differently? And my point is, when you're talking about your 40 years, you can say 80, it doesn't matter because you've been able to bring invaluable experience to us.

Dr. Dave Fabry:

Well, thank you for that.



Brandon Sawalich:

And you didn't pay me to say that. That's the team that we have here at Starkey, people that know the patient and are in this industry for the right reasons.

Dr. Dave Fabry:

Well, thank you. Well, that's an excellent segue into technology. And so in 2018, we launched the industry's first device that had embedded sensors, that in addition to providing the vital function of better hearing, provided a pathway to health and wellness and virtual assistant. But then just recently, Genesis AI. Talk a little bit about the genesis of Genesis and how are things going?

Brandon Sawalich:

Things are going great, but I could tell you that it takes a team. Genesis started five years ago, so that's where I had a little bit more hair. And from a standpoint of I'm always thinking about, "What could be better?" My biggest fear, I get asked a lot, "What keeps you up at night?" And it is complacency. And we knew 2018, Livio, and then with Evolv, that was the stepping stone. That was the stepping stone to what we could do. And I always like it, and not that I'm trying to go back, I'm old school, but I love the space program and I'm an astronomy and I'll say space geek, but it took Mercury, and Jim and I to get to Apollo. And it's taken what we've done with Livio AI and Evolv, great products, still great products, to get to Genesis and we had parallel paths going.

And it was quite simple and there's a lot of story behind the vision and the details and things, but it was October of 2017, and it was quite simple. We needed to cut the cord from my term, old Starkey, eventually where we needed new software, new app, new form factor, new everything.

Dr. Dave Fabry:

All new everything.

Brandon Sawalich:

To get us for the coming decade. Now, we didn't see a pandemic coming, but with the global aging population and growing people we could help, we needed all-new everything. And you always start with sound quality, right? You know that. People aren't coming and buying a piece of plastic or buying just for the health features. That's something that we wanted to add as a benefit. It's hearing in noise. So sitting down with our senior principal engineer, Jon Kindred, who is behind the desk and the feedback we did there, "Jon, what can you do for sound quality? If we think of anything else, you could have all sorts of features, but people want to hear better in noise." And I use 3D sound or think different 3D, 4D, 5D, whatever it might be.

I was trying to get the point across as it's that crystal clear when you go in that movie's theater and you hear the surround sound and everything, what can we do with that? And starting there to where we are today and everything in between, that added to Genesis from, as you know, working with bringing on Achin Bhowmik as our chief technology officer, think different. Somebody that is connected outside of Starkey but also understands the IC development coming from Intel. We need an all new chip, all new design, all new fit, working with you on knowing the patient because that's critical. The patient is in charge, the ear's the boss, right?

Dr. Dave Fabry:



Absolutely.

Brandon Sawalich:

And you put all these components together and everybody works together and matures as a team and you throw in a global pandemic that slows progress down but also in its own way opens doors for newer technology that wouldn't have been available in 2020 or 2021 that we've been able to apply and make Genesis AI even better. And you put all this together and you look at us sometimes and it's like a lot of ingredients going into a soup and you're like, "Is this going to taste good or not?" But then it all starts coming together and at the end of the day, the patient decides. And the goals that we had for Genesis, we checked every box, we checked every box that we set out to do.

And it wasn't about trying to be the most profitable, trying to go after the market share. We all agreed as a team, not just me, I was fortunate enough to have the front row seat, but we started out as, "We want to be the best, not the biggest." We can go get market share, you know how that works around the world, and let other companies do that. I want to be the best. Apple doesn't have the largest market share and I know they're always used as the example. And it starts with that sound quality. And we should not wake up trying to find the easy way, we should not wake up trying to equate our work or talk ourselves into the lowest common denominator because, "Oh, the market's going down, people don't want to pay that."

They will pay for value, they will pay for better hearing. And we have to believe that and everybody at Starkey believes, and we did exactly what we said and we're at a fun time because we just launched, and it's only been almost two months, cautiously optimistic because everything's great, you're waiting for what's next, but now we're looking ahead, and that's where this is the fun time. And Genesis AI is a byproduct of your 40 years, bill Austin's 60-plus years, my 29, Jeff Geigel. I could go down the list of everybody that's industry experienced at this company and it's like the perfect storm, but it's the perfect weather in a good way. This isn't turbulent times; this is for the greater good.

Dr. Dave Fabry:

Well, and you frequently talk about one team with this. And I reside in the R&D division and the 500 R&D people. It's not hyperbole to say that every single one of them has in some way impacted this product. You talk about the hardware and with Achin's experience coming in from Intel, and then the other team that he surrounded himself with on the hardware side gave a great palette for its art and science even at that level, on the engineering level, where it gave a great palette to Jon Kindred and the other people working on the audio side to say, "Okay, here's a platform that allows you 118 dB input dynamic range." One of the most commonly reported features that patients remark to me when I first fit them is how quiet this device is. It's that 118 dB dynamic range. Soft is soft, moderate's comfortable, loud is never uncomfortable, but we're really making that available and it's a great palette to paint on for audio sound quality and build on it.

Brandon Sawalich:

And Jon Kindred inspired me and his conversation, and he inspired me because of his experience. And he knew and when we talked, he said, I'm the expressive and Jon's the thinker and that's his job. And he's sitting there and I'm listening to him. I'm like, "I'm not getting through to him. Maybe he doesn't understand." He's like, "Yeah, this kid doesn't know what he's talking about." He went back and he was thoughtful and then he went to his team and then other people. And you just said it, you're in the R&D, and I know this, you're part of Starkey, everybody is. And there isn't one employee at this company that



doesn't affect where we are right now or where we're going to be at the end of the year. Everybody plays a part. There's no separations of silos and whose individual participant trophies or individual MVPs, it's a team MVP because we're doing it for the right reasons and that's where we want to continue to go is working as that team for the patient, because if you do that, everything else takes care of itself.

Dr. Dave Fabry:

Yeah. And the other thing I think for people when you talk about all-new everything with Genesis, it's the beginning of this platform that we can build on over the next several years now to continue to expand artificial intelligence from the machine learning that we're using now with Edge Mode where it's human machine interaction with the longer term goal towards the onboard DNN accelerator to enable personalization and optimization, combining that technology with the individual user in combination with the professional to deliver results that we're just scratching the surface of today. A year or two from now as you say, Genesis, as good as it is, is the beginning of a new era in terms of the way that hearing aid performance for sound quality and speech intelligibility will just continue to improve.

Brandon Sawalich:

And three years from now, I want to be 10 years ahead.

Dr. Dave Fabry:

Yeah, that's what you said.

Brandon Sawalich:

And from the technology and our roadmap, we have a clear vision. Now we have our platform and when I first tried Genesis, it is kind of the you're excited but you're like, "Okay, here we go." And it was August of last year, '22 and I put it on, and I have a high frequency loss. And when I put it on and I listened and listened and I heard some noise, it was out in the other office, but I had to make sure that it was on. I thought it was off.

Dr. Dave Fabry:

Yeah. Is that quiet?

Brandon Sawalich:

I didn't think it was charged or anything. And then I heard it and the first word that popped to my mind, and I wasn't trying to be cute with marketing or anything, I was trying from the human emotion was transparency, because what I noticed was yes, the fit was great, meaning behind the ear, and then the cable, how the cable fit...

Dr. Dave Fabry:

More flexible.

Brandon Sawalich:

Yes. And then the sound, because I didn't hear a circuit noise. And Evolv AI is a great product and we have proof on that, we know that, but with this I had to make sure like, "Is this all in? I mean, is this



baked? Is this what we're..." And Achin was standing there and others and the next biggest... Well, I shouldn't say the next. The Number one customer we have, we know who that is, and said the same thing. Bill Austin has heard and listened to more hearing aids because of work on the foundation and fittings than anybody on this planet. And he said the same thing.

And since then, as you and I know, we've both heard it from customers and patients, not us. Because that's a great thing is you want a product that markets itself, not that we have to make it up. Transparent. We've heard the natural sound, the clarity crisp, and that's what you want. And we've got a really good marketing department that that leadership at our marketing department focused on not trying to oversell the product. Keep it simple, talk about what it does, don't get cute with names, because our goal was, as I said, the product's got to speak for itself and it is.

Dr. Dave Fabry:

Well, and like you said, we and professionals who don't have hearing loss can put it in their ears and hear how quiet it is. What convinced me and got me even more excited was when I started fitting patients. One of my patients wanted custom devices that he could just put in his ear, set and forget. And he finds that the way we've got them set up, quiet is quiet, it's automated. He goes throughout his day and he forgets that they're in his ears. And these are custom devices and he said he even forgets when he gets in the shower and the tub. And in the old days, patients would call me and I never have once punished a patient for wearing their hearing aid in the shower or in the tub, because it meant it was natural. This one, now we know with beyond IP68, it's not a deal breaker if he does so, but to me that's the highest testimony for those patients who forget that they're wearing them because it's so natural and such a seamless integration into their life.

Brandon Sawalich:

I've had those issues too. And what's great, because you're talking about one patient, but outside of what your daily responsibilities and what you proactively do for Starkey, which goes above any job description, you have your own, my word, patient counsel. And that's where we get the information, and you're working with people and patients and others that are giving you the real unfiltered feed.

Dr. Dave Fabry:

Radical candor is the expectation. They have to agree to, in working with me, I don't work with as many patients as I used to because I've got other things, but I work with actively about 80 patients in that advisory council and they give it to me. If we're not doing well, I hear about it.

Brandon Sawalich:

So with your patient council, with the other, I'll say very selective and I say, I'll use the word high expectations, high maintenance-type patients that you work with, some musicians, we know this. We had a pilot program that we were able to work with the product for over a month. The Center for Excellence, Bill Austin's our number one customer. He will come in and I know what Genesis cost and he would say like, "If this is on par or below Evolv AI... didn't get that."

Dr. Dave Fabry:

Yeah.

Brandon Sawalich:



Because it's the goal, but from our customers and the customers being fit, I can confidently say without hesitation, and we also know from the research that this is a flagship product for our industry. There is not one product better than Genesis AI and I will put that up against any product with a professional to try because, Bill started the quality custom product for Starkey in 1972. It was called the Custom Master. And it was a simple tagline, I always remember this, is that it was a product worthy of your consideration. Genesis AI for the professional and their patients, this is a product their patients deserve.

Dr. Dave Fabry:

Right, beyond consideration.

Brandon Sawalich:

Because this goes beyond them being familiar with Phonak, Oticon, Widex, ReSound, our competition, which I'm not calling them out, they're good competitors, but people stay with what they're comfortable with.

Dr. Dave Fabry:

Familiarity breeds content and they need to get out of their comfort zone.

Brandon Sawalich:

And this is a product that is worthy of the hearing professional getting out of that comfort zone, getting out of the, I say this with respect, the complacency of yes, I know the software, I know the system, I know the how to work with the company. No, this product's that good, get on the rocket ride because it's not worthy of their consideration. This is a product their patients deserve. And that's different. And I will, from any patient fitting, I'll guarantee that they're going to hear better. And I back that.

Again, this isn't marketing or something that you just say and you throw out there. We've seen the proof and we know it's that good because it is the latest technology. And from the end as we said, what are we going to say? What's the taglines? How are we going to market this? And quite frankly, it became natural working with the team of Karen Spaeth, and Holly Schissel, and Josh Secor. It is like all-new everything. Because we were saying, "How do we say all-new everything? Well, it's all new everything."

Dr. Dave Fabry:

It is.

Brandon Sawalich:

And from the inside out. And that's all you got to say because the product speaks for itself.

Dr. Dave Fabry:

Yeah. And clinicians who want the best for their patient, May is Better Hearing Month, no better time if you're a patient and listening to this, get your hearing tested. If you got a hearing loss, seek out the help of a professional who can help find the best product for you. We feel very confident that your patients deserve the opportunity to be fit with Genesis. If you haven't worked with us, or if you have, you're already experiencing it, but this product is that good, we'll stand behind it. We've had and devoted previous Sound Bites episodes with Achin and Sarah to the technical aspects. 51 hours of Battery Life on the RIC RT. On the custom rechargeable, 42 hours of battery life.



Beyond IP68, a whole host of other Starkey-unique features that will make it easier for those patients who want effortless seamless while also providing them with the additional granularity of Edge Mode situational to reduce background noise and enhance speech beyond what we had in the previous generation of products because of that improved computational power on the chip. But the bottom line I think of no better message than what you just said with regards to your patients deserve this technology during Better Hearing Month.

Brandon Sawalich:

And what you mentioned, a lot of those features is to me nowadays it's table stakes. We should have the best, batter. If we're coming out with all-new everything, it should be the best. And this is, you and I are movie buffs, when you remake a movie, there's only so many movies that maybe it's better than the original.

Dr. Dave Fabry:

Pretty rare.

Brandon Sawalich:

People need to look at the remake of Starkey, this movie, because if they think that Phonak or others might have the better-sounding hearing aid, you know what? Don't assume, you can form your own opinion, but this movie's worth watching.

Dr. Dave Fabry:

We are going to move forward with independent verification of our product, Genesis AI, our flagship against the best that the industry has to offer. And I'm really looking forward, I'm chomping at the bit to see how those studies are going to come out. Hearing Tracker has put out audio comparisons. Go listen for yourself, listen to the comparisons between these products and what everyone else has to offer. Go in with an open mind and then let me know what you think. So Brandon, thanks for... Any final words?

Brandon Sawalich:

No, I always enjoy, you and I are so aligned and so passionate about what we do and we talk about May is Better Hearing Month. And yes, go get your hearing checked, but it's also understanding the importance of hearing health. Hearing is essential. And it goes beyond just a hearing check, it's understanding what you're missing. And Genesis AI and other products and whatever that is, at least do something, because hearing is essential and we're not letting our foot off the gas because we're doing it for the right reasons. And this is just the start, because like I said, this movie, it's worth checking out because I like where we're going.

Dr. Dave Fabry:

Stay tuned. I think this is a multi-part, there's going to be multiple sequels on this.

Brandon Sawalich:

It's not coming soon. We're here.

Dr. Dave Fabry:



We're here. Stay tuned. Well, thank you for listening to this episode of Sound Bites. And if you have ideas about what we should cover in future episodes, we're all ears. Send us an email at soundbites@starkey.com and we would be delighted to bring on other experts like Brandon to discuss the issues that are on top of mind for you. Brandon, as always, it's been a pleasure. Thank you for your leadership and direction, and vision for the new Starkey.

Brandon Sawalich:

It takes a team.

Dr. Dave Fabry:

It takes a team. And-

Brandon Sawalich:

Thank all of our customers and employees because I work for them and it's an honor of my life. So thank you, Dave.

Dr. Dave Fabry:

Indeed. Well, thanks for listening and we'll hear and see you again next time.