



SoundBites Podcast Transcript

Episode: Brandon Sawalich

Dave Fabry: Welcome to Starkey Sound Bites. I'm your host, Dave Fabry, Starkey's Chief Innovation Officer. Our guest today is Starkey's very own President and CEO, Brandon Sawalich. And he joins us to kick off one of the most important months for us here at Starkey. May is Better Hearing Month.

Brandon Sawalich...: Yeah. So thanks for having me, Dave. It took four or five months for you invite me on, but I'm glad to be here.

Dave Fabry: Well, we had a lot of very important guests to get through first. But no, seriously-

Brandon Sawalich...: Yes. We had a lot of good content. You've-

Dave Fabry: We've had a lot of great content, but this is now the pinnacle. And so thank you for joining us today.

Brandon Sawalich...: My pleasure.

Dave Fabry: And we wanted, just consider all of those other ones, the warmup act.

Brandon Sawalich...: I've done a lot of other podcasts waiting to get to you.

Dave Fabry: Yes, you have. So we do have a lot of ground to cover. And first of all, let's start with happy Better Hearing Month. What does that mean to you?

Brandon Sawalich...: Connecting people. I mean, it's bringing awareness to overall hearing health, ear health, however you want to look at it. You and I have had many conversations. And it gives us a reminder to have those conversations to people, not just in our industry, but outside.

Dave Fabry: Yeah. And I think that's really the intention, is to just raise awareness for the importance of hearing.

Brandon Sawalich...: Especially during times where there's confusion. On what the hearing healthcare model is.

Dave Fabry: Well, let's dive right into that because I mean, certainly, we are coming out, hopefully. The last couple years have been very different for veterans to this industry, like you and me. And one of the issues that was rather controversial when COVID first hit in March of 2020 in the US, was whether or not hearing is essential or not. It was a real touch point.



And remember, I mean, we had had the launch of, at that time, Livio Edge AI in Las Vegas in January, and we had no idea what was going to happen. The worst thing that we thought in 2020 was that OTC was going to disrupt our industry.

Brandon Sawalic...: Right.

Dave Fabry: And boy were we wrong, but-

Brandon Sawalic...: We were way off because you remember us walking off the stage and you felt the energy, because people were excited about the technology and they knew who they could help. And they were thinking of patients and we were having the great conversations. And then what, a month later we're having unimaginable conversations, and not knowing what's going to happen the next day.

Dave Fabry: Well, and really having the agility to be able to pivot. I mean, we had a launch, a series of launch training events, face-to-face events. And those quickly first had to pivot. Talk a little bit about that. I remember the conversations and initially people were wondering, how am I going to stay in business? In many of the states in the US, if you're listening in the US and you're a professional, they were deemed not essential services at first in some of those states.

Brandon Sawalic...: Right. And that was where the education came in because I think, over whether it was a week or two weeks of the isolation, and the quarantine, and the lockdowns and whatever the country and state called it. We were all in survival mode. We were all in an area of unknown chartered territory.

And you started hearing the talk track of well it's just a consumer device. Or it's just amplification. And what we saw and started hearing is the practices were closed and because we didn't understand what was next or how to protect the patient or each other. But our phones continued to ring and the calls became more and more by the week because they were consumers, patients calling in.

Dave Fabry: Yep, yep.

Brandon Sawalic...: And patients wanting hearing help because their hearing aid stopped working, or wax, or just the basics and they needed to be connected. And then we came out of it two months later and we were working with our customers, we're working with our patients, and then our customer service calls increase. So we know that offices are opening back.

And it was a light bulb for many that, especially outside the industry for the government and areas of federal government, state government we were talking to, that hearing is essential. Because they couldn't hear the TV. They couldn't hear just talking to somebody on the phone.



And a lot of people had the motivation to okay, if they haven't done something about it, we saw they did something about it. And the people that were used to being connected and needed that as a lifeline, they had to do something about their hearing aid and getting that fixed. So we've gotten innovative, right?

Dave Fabry: Yeah. I mean we started by pivoting really to look at what programs were available to help practices weather the storm in those areas where they really saw initially. When everyone was really so uncertain and afraid to go out in public and go into clinical and health facilities, or private practices, or retail offices.

And I think in Q2 of 2020, our industry was off by about 80%. A lot of uncertainty over that. That we faced and certainly our customers did, and then patients. And then I think having our Chief Health Officer that you had the foresight to bring Dr. Archelle Georgiou on board. I think her role initially was just instrumental, but very different than what you thought you were going to bring it on.

Brandon Sawalic...: It was for other reasons, right. I mean, and yourself and Dr. Burdak, and even my role as you come together as a team. And I talk about innovation and you're the very creative thinker and you're an innovator by instinct. And we never thought we'd hear curbside service.

Dave Fabry: No way.

Brandon Sawalic...: I mean, the stuff that we were doing to at least keep, build a bridge until we can get out of whatever phase we were in, to start getting face-to-face with people. Then we got into education on how to set up your office and protect the patient, protect yourself. Sarah and you and Dr. Archelle and myself, and we all did whatever it take. And we educated and did the best we could. It's all we could do.

Dave Fabry: And by the end of the year, I mean, it really felt like we were gaining steam. Obviously we still had all of ... If 2020 said, "I'm going to be the worst year ever." 2021 said, "Hold my beer." And it continued. But I think in a way, and I would never say there was a silver lining out of any of this.

Brandon Sawalic...: No.

Dave Fabry: But it did stress the importance of hearing as a vital and fundamental way that we stay connected with each other.

Brandon Sawalic...: Yes.

Dave Fabry: I would also argue that 2020 and 2021 became the year of telehealth. And it taught professionals in many ways that when they couldn't see the patient face-



to-face, they could still maintain care and connection with their patients using telehealth. And we had to adapt to that as well.

Brandon Sawalic...: And adapting is really we reminded ourselves. Because how long you've told me, how long has telehealth been around? And we've talked about it. And-

Dave Fabry: 1994, I did my first remote programming. And it hid in plain sight for 25 years.

Brandon Sawalic...: It did and for all companies. I mean we have our audiology group that takes calls from consumers and customers, and helps with remote programming on a daily basis, but we had to pivot and make that more robust. So it was more direct for the consumer and the patient that needed the help instantly.

So it reminded us. It's like, this is here. And I remember thinking from April to May, and you said 80%, you're close. It was actually over 90%, our industry just plummeted. And I remember thinking, I never want to feel like this again. And what I mean is not from the dollar stand. It's like, how do we need to innovate and not be Blockbuster? Just be comfortable being comfortable. We had to be comfortable being uncomfortable.

And then we had to focus on our priorities and priority being, or new priorities, the new normal. Yes. I mean, Telehear, how we're going to work at how we talk with patients. The extra level of service, whether an office was closed in a region, we worked with a customer from the phone. But also got permission to work with the patient directly as we needed to, just to continue that service.

Dave Fabry: Yeah. I mean, I think if the biggest buzzword over the last two years was, "You're on mute." The second phrases were, "We're all in this together."

Brandon Sawalic...: Right.

Dave Fabry: I mean, we started really by coming together and I would say, maybe we need that now, too. But then moving into the new normal-

Brandon Sawalic...: Yeah, I was going to say, new normal.

Dave Fabry: Whatever that new normal's going to be, were the sort of the three big catch phrases of the last two years.

Brandon Sawalic...: And I think we defined the new normal. I mean, we're learning to live with it, as you said. 2020, yeah, it was a rough year for many businesses. 2021 kind of like you said, hold my beer. And we went in with a plan and then everybody has a plan until they get punched in the face.

Dave Fabry: Like Tyson.



Brandon Sawalic...: Yep. And they came back and we got punched in the face and we had to continue to adapt. But now I think for what we're doing as an industry, and at Starkey, and from around the world, we've been reminded the importance of better hearing. The what's important for the patient and really, it's refocused us. And I said, I've said many times, and you're right, there's a lot of the new normal and all these catch phrases that we really don't want to hear again. But it's refocused us and re-centered and got our priorities straight.

Dave Fabry: Yeah. So on that then, what for you personally, what's the thing that you missed most about the industry? The profession? The old way of doing things? What's the thing that you've missed most for the last couple years?

Brandon Sawalic...: Oh, the same thing you would say.

Dave Fabry: Yeah.

Brandon Sawalic...: It's virtual. I don't want to, I mean, it's okay. And I think it's taught us that there are other options, but it's the in-person events. I think at Starkey, as Starkey and who we are. And one of our values and what we do is getting that face-to-face with our customer. And that relationship, that brainstorming, whatever you want to call it.

And just even the employees, I mean, the employees that give you energy. We went remote, full remote with our employees here mid-March and within a day. And really until recently you kind of feel isolated. I've been here alone. A lot of people have been here alone and you don't have that comradery, the collaboration that has made Starkey, Starkey.

Or our industry is all about people and then you're wearing mask and you can't see people smiling. And there's fixes for that. We've learned to adapt with it, but for sure, it's the human interaction.

Dave Fabry: Yeah. And I think you said it, the human interaction on campus with the people that we're used to working with. And the incidental conversation and ideas that you get, the stimulation you get from running into people as they're going to the lunch room.

Brandon Sawalic...: Right.

Dave Fabry: Then really Starkey has thrived on the motto of treating our customers better than anybody else. And really that opportunity to get with them. The reason we say that, it's not because we're wining and dining them. It's that we're engaging with them and getting ideas.



Because I think I've been the beneficiary as often as the teacher, as the benefactor, when we're with our customers. Because I learn so much about patient care and clinical best practice every time we get together with a class.

Brandon Sawalic...: And I learn from you. I mean, you and I can have, we have great one-on-one conversations just by running into each other in the hallway. Virtually it's planned. And the Teams meetings and stuff, there's a place for that. But I think now it's a mix and a hybrid. I love talking in front of audiences, just like you do-

Dave Fabry: You get energy.

Brandon Sawalic...: Because you believe you get energy. For me, I feed off the crowd, meaning I want to make sure that I'm educated and providing, and I believe in what Starkey's doing and where we're going.

Doing that in front of a camera, you've done it probably more than I have, but I've done it quite a bit in the last two years. That I've had to learn how to come across and have that energy where I feel like I'm a weatherman.

Dave Fabry: Yeah.

Brandon Sawalic...: We joke about Ron Burgundy. It's the Ron Burgundy effect. You're looking at a camera, you're showing that passion and that energy, but there's nobody there.

Dave Fabry: You get nothing back-

Brandon Sawalic...: No.

Dave Fabry: From the room.

Brandon Sawalic...: Right.

Dave Fabry: Because there's probably one or two people in the room in total, in those early days.

Brandon Sawalic...: So it's hard to feed off of that, but we've learned and we've adapted. And I feel from a Starkey standpoint, our virtual training classes and what we've done, and what we've provided for education. And even here, what we're doing, I mean, we've adapted and we're providing good content. And we're doing it a different way where people could get more content and more education faster.

Dave Fabry: Yeah. And I'll show my okay, boomer moment for the day. But they'd say long distance is the next best thing to being there, but it's a long ways from being there.

Brandon Sawalic...: Yes.



Dave Fabry: And so I guess what you're saying is for the rest of 2022, giddy up. Is that we're going to be back engaging and looking forward to engaging and keeping safe. With our customers, because that's really-

Brandon Sawalic...: People want it.

Dave Fabry: People want it.

Brandon Sawalic...: They want it too.

Dave Fabry: That's how we learn. That's how we grow. That's how we do it.

Brandon Sawalic...: I know that we have done a great job of number one priority, keeping our employees and patients and our customers safe. And we monitor the numbers and we know what region is what based on the daily cases and stuff. But now we're coming in time where as long as it is safe, our plan is, as we kind of say, scorched earth, is get back in front of our customers and get them excited. I mean, I've talked to a couple state meetings here in the last month. You and I are talking at some meetings coming up. It's exciting. I mean, before it was exciting, but it felt like, well that's responsibility. But now you're like, that gives me energy.

And do I want to sit in a room and go on another Teams meeting? Yes, I will, but that doesn't give me energy. It feels like that responsibility, but getting in front of our customers, you and I both know, we feed off each other with it.

Dave Fabry: It's the number one thing that I've missed. And so I'm looking forward to whatever that new normal is. And maybe we learned to not take that for granted this time.

Brandon Sawalic...: I think we did. You're right. That's a good way to put it. I've never thought of it that way. Where, oh, it's another, a regional class, or it's a class up here, or we're doing another conference in Las Vegas or LA or another type of regional. And we took it for granted. We got [inaudible]. We loved it, but-

Dave Fabry: Those interactions are precious and I will never take them for granted again, because you never know when the rug gets pulled out again and we're back in front of a screen.

Brandon Sawalic...: We're back. This year plan is if everything's safe, Starkey's going. We're going all in and get in front of our customers and providing good content. And really reconnecting those relationships and reminding them who we are. And understanding what they need more importantly, and that we're meeting those needs.



Dave Fabry: Well, and as usual we dove right in. But now I want to back up just a minute and talk a little bit about your history in this industry. You've been doing this since you were wet behind the ears. And talk a little bit about your journey. Journey within the industry, within Starkey. Just that people don't know your background.

Brandon Sawalic...: I come from Southern Illinois, a small coal mining town. And my parents started in 1983. My grandmother, my mom's mom, who is still vibrant and loves this-

Dave Fabry: A dynamo.

Brandon Sawalic...: Yes, and who loves this industry. Hi, Mimi. Yeah, she started in 1959. She opened her own business and she was a independent-

Dave Fabry: A female practitioner.

Brandon Sawalic...: A female, yes, practitioner.

Dave Fabry: In 1959. Yeah.

Brandon Sawalic...: Couldn't get a loan. Her dad had to sign the paperwork for the bank because they wouldn't give loans to women who wanted to open business. And to me, it was just, I can't even imagine.

Dave Fabry: Crazy.

Brandon Sawalic...: And she was successful. She loved the business. And then she got my mother into it and had a Miracle Ear franchise actually in 1983. And then as far back as I can remember, I been around hearing aids. Now was I going to be in the hearing aid business? No way. I wanted to be an astronaut or something really, a police officer. Something where it's always been about either helping people or exploring.

And I kind of fell into it, really a summer job. Right after my first year of college. And I started Starkey in '94. My first job was in the all-make repair and buffing ear molds and old hearing aids, and then got into sales. And I've pretty much done almost every job except maybe built a hearing aid for several months. I built the hearing aids, but in manufacturing. I've worked the receptionist. To many of the people that might watch this, they remember me picking them up at the airport or Mall of America. So yeah, I have a passion and I-

Dave Fabry: What fuels that passion this day? You've been in this now for 20 years.

Brandon Sawalic...: 28 years.

Dave Fabry: 28 years, time flies.



Brandon Sawalic...: It'll be 28 years in June.

Dave Fabry: Reality distortion filter.

Brandon Sawalic...: Tell me about it. I got to pinch myself.

Dave Fabry: It gets worse. Yeah. But so what causes you to get up with that same excitement and enthusiasm today that you did 10 years ago? Or does it?

Brandon Sawalic...: Oh, no, it does. For me, it's about the people. So I think about the patients and the people we help. We've all been, whether it's on a Starkey Hearing Foundation Mission, the Starkey Cares Program. Been in a customer's offices where you see those hearing smiles. So you make that impact.

Our customers and the people of Starkey, that drives me. Because the worst thing for me is if I feel that I've let them down. And it's not a job for me, it's a responsibility. So I feel that responsibility and I respect it. And that goes with Mr. Austin. He's trusted me, as I said, with his baby. And everybody, the rumors of Starkey's going to sell, or we're going to go public, it's never been a conversation, not once.

Because Starkey is Starkey for the right reasons. And to me, it's not about being the biggest. You go get market share and it's not healthy market share. Market share's market share. You do a good job individually for the customers. I want to be the best. Quality, service, best products. And then whatever happens, happens. We treat employees well, and we've got the best of the brightest here, obviously like you.

Dave Fabry: Oh, absolutely.

Brandon Sawalic...: But that's what fuels me is the people. It's not my resume or my title. What I learned quick is, my younger years, and I see this and we all see this as what's my career path? Oh, I want this title. Am I senior director or senior manager? Am I manager? Because once you get that manager title, you're like, my God, I've made it. And it's for the wrong reasons is what I've learned for myself. So I've got the title of President and CEO. I work for the people of Starkey. It's a title. I've got to do the job and I have to help them be successful because if I'm not, that title doesn't mean anything. It doesn't mean because you'll-

Dave Fabry: Got to have results.

Brandon Sawalic...: If you got results, it's a success. Because if you're successful, the team gets the credit. That's the way I look at it. If there's a big problem, I promise you, I know who everybody's going to be calling, or be looking at. And I feel that responsibility.



Dave Fabry: So with that responsibility, what do you see as the biggest challenges? Let's set COVID aside.

Brandon Sawalic...: Sure.

Dave Fabry: And let's just say it's the new normal, and all of that. What do you see as the biggest challenges ahead from here?

Brandon Sawalic...: Ourselves.

Dave Fabry: Explain.

Brandon Sawalic...: We have visions and ideas and we know the patient. It's staying focused because you've got a lot of great people with passion all over this company. And you hire for culture and caring attitudes and you develop the talent. So you get a lot of people that come in, and Starkey's hired some. We've hired a lot of great new people and minds, which I'm all in favor in the last five, six years. Innovative minds that help us move further. Keeping them focused. And keeping the company focused because it's that bright, shiny object. We're working on better hearing. And what we've done with Livio and then now evolve AI and you and I know what's coming next, right?

So we have to do what our core business and who we are, accept it, focus, and deliver. It's the noise that comes into play where, oh my gosh, we should be doing this, or with this, or so and so company did this. For me, it's not about what our competition does, because they're good. They're going to do what they do anyway.

Dave Fabry: Well, there's a sign that hangs out by next, what used to be my office long ago. What did it say?

Brandon Sawalic...: It would, don't lose sleep over the competition, make them lose sleep over you.

Dave Fabry: Right.

Brandon Sawalic...: They're going to play their game. Starkey plays its game and we stay true to who we are. You know the noise about OTC, right? Oh my gosh, the industry's going out of business. We better pivot. We've got to sell direct to the consumer. And it's common sense thinking when you hear all the articles, whether it's Wired, whether it's Wall Street Journal. Even our own industry publication.

And it creates clicks and it creates different thinking. But you and I both know that's an evolution and a glacial process. Because it's not about the product. It's about the role of the professional and the interfacing of the ear and the personalization of that sound for that person.



And it's keeping the team focused on the priorities, not because they're wrong in their thinking. It's the education and making sure we do what we say we're going to do and close it out. And then we move on to what we feel is best for the patient.

And that's Starkey. And I've heard this as long as I've been here, our priorities are what's best for the patient, is best for our customers, is best for Starkey. It does not go what's best for the stockholder, what's best for Starkey, then the customer and the patient. We're absolutely backwards and that's where Starkey's secret sauce comes into play on why we can do what we do and who we are.

Dave Fabry: Yeah, you've been very clear on that issue, is that nothing wrong with publicly traded companies.

Brandon Sawalic...: No.

Dave Fabry: But you've been very clear on with us as a privately held company, our focus can remain on the customer and ultimately rather, the end user.

Brandon Sawalic...: Yes.

Dave Fabry: And that's a different relationship than what occurs in a publicly traded company, where the focus is often on the shareholder.

Brandon Sawalic...: And that's the business.

Dave Fabry: And that's fine.

Brandon Sawalic...: Sure.

Dave Fabry: That's their business. But our game is to stay focused on the end user. I think we've often in this industry been painted as not being focused on technology, or the end user, and all of that. That the large consumer electronics companies will come in and save us from ourselves.

Brandon Sawalic...: Songbird, Johnson & Johnson 2000, right?

Dave Fabry: Yeah. 20 years ago.

Brandon Sawalic...: Right.

Dave Fabry: More than 20 years ago.

Brandon Sawalic...: You and I could go down memory lane and name the Sonys, the Panasonics, Bausch & Lomb. They've all tried. They've dabbled.



Dave Fabry: Right. And I think what ends up happening is people often coming in from outside of our discipline, and I welcome the competition. I want to be very clear around that.

Brandon Sawalic...: 100%.

Dave Fabry: I welcome anything that increases adoption of hearing aids.

Brandon Sawalic...: Yes.

Dave Fabry: By people.

Brandon Sawalic...: Growth of product.

Dave Fabry: Right now we're sitting at a third of the people who have hearing loss in the US do something about it. If that, if accessibility and affordability was the only solution, then even in those countries where hearing aids are provided at no additional charge outside of their taxes, it'd be more than 50%.

Brandon Sawalic...: Right.

Dave Fabry: And it's not.

Brandon Sawalic...: And since 1974, Starkey has had the Starkey Fund. We established the Starkey Hearing Foundation. And to this day we have now Starkey Cares and other means of giving hearing aids away to people that can't afford it. We've provided access to how many countries? Over what, 70 countries around the world and groups through the Starkey Hearing Foundation. And you and I both know what's the number one thing why people don't get hearing aids? It's the stigma.

Dave Fabry: Stigma.

Brandon Sawalic...: Yes.

Dave Fabry: Yeah. And the issue is I think the people looking at this from the outside saying, "Oh my gosh, look at all this opportunity." And people working in this haven't figured it out.

But I think in a way, where people have stumbled is they've looked at the technology, or the initial fitting, as we're looking at self-fitting devices, thinking of that as the finish line, but it's the starting pistol.

Brandon Sawalic...: It's the starting.

Dave Fabry: It's the start of the process. And any professional knows that in that first year, when the patient is getting used to the technology, to the sound, to the care,



and feeding of these devices, they have many more appointments related to the follow up in the acclimatization of the device, than strictly to the fitting. And the fitting itself is the beginning of that journey.

Brandon Sawalic...: It's everything. Patient satisfaction right now is 88%, right?

Dave Fabry: Yeah, 88%.

Brandon Sawalic...: That's why when we hear and see these councils and committees formed in Washington, DC and others, where they're talking about affordability and access and over the counter. And you look at who's talking in the experts in the voices of authority and I respect their work. But how many of them have fit a patient in the last year? Or even six months? Or?

Dave Fabry: Or ever?

Brandon Sawalic...: Right. Or ever. Yeah, exactly. So the over the counter has been a great platform and a motivator for me, not out of emotion or anger, or I'm afraid of it. It's how they're painting our life's work, and people's life's work that are listening and watching here. Because we know the truth and nobody's taken the time to sit down with the experts in our industry or voices of authority. We know this. We welcome competition.

Dave Fabry: We welcome the competition.

Brandon Sawalic...: It pushes you, right? How many times do you and I talked about innovation and ideas? Because somebody was thinking this, or we saw this? You can't stay flat footed because you will be like Blockbuster. You have to continue push yourself. And to me, if the industry is disrupted by a competitor, or a new competitor, it's great. Then what's the innovation? What are we going to do? How do we get better? And we have to continue to push ourselves. So it's going to be a slow, slow, miserable-

Dave Fabry: Right. I look to be doing this for a good long while yet.

Brandon Sawalic...: Yes.

Dave Fabry: And like I said-

Brandon Sawalic...: I hope so.

Dave Fabry: And every morning I get out of bed and charge in because I still think, I grew up in the culture where, and when I was at Mayo, they said the needs of the patient are the only needs that matter. That's the same thing that Bill is focused on. And it cascades through the organization from what Bill and Tani have done



and established, whether it's in establishing the Starkey Cares Program. Talk a little bit about that.

Brandon Sawalic...: Well, Bill started Starkey because he wasn't getting the service that he expected for his patients, because he saw it in their eyes what hearing and better hearing could do. Back in the 19, he started in 1961 in the 60s. In 67, he started his own repair lab.

Fast forward to do today, it starts with caring. If it's about the transaction or the money, then I'm sorry, you could be successful. Are you going to be fulfilling? It depends on the personality, but how long are you in it? People are the bottom line of business.

Dave Fabry: Right.

Brandon Sawalic...: And if you go with that approach, and for our being private, we still operate as it's 1967, but we continue to innovate how we do things and help more and more people. I mean our announcement Starkey Cares with the Special Olympics yesterday. That was a reminder for all of us because after two years, March 1st we had people back on campus and levels are low here. But that feeling, we've known it, but kind of like with the classes, we took it for granted.

Dave Fabry: Yeah.

Brandon Sawalic...: And everybody got goosebumps. I mean I saw tears in people's eyes as we were listening to Tim Shriver and the athletes get up.

Dave Fabry: It was amazing.

Brandon Sawalic...: Who, all genuine with their stories and telling us how hearing has connected them. And Nell got up and gave a speech.

Dave Fabry: Incredible.

Brandon Sawalic...: On what it means because she wanted to give a speech because it gave her confidence. And the employees in there and the team members, the veterans and I'll say the newer, new hires to the team, they were reminded. And then they witnessed what we've been talking about for two years, but we haven't been able to do.

Dave Fabry: Yeah.

Brandon Sawalic...: So it doesn't change. It starts with caring.

Dave Fabry: Well, and I think to be in that room, versus to be online is a different experience.



Brandon Sawalic...: Oh yes.

Dave Fabry: And to be able to see the athletes stand up, and point them out, and turn around as Dr. Shriver had them point to people saying, "I can't do it without you and you and you." And I think that's the testimony that you do get when you're working clinically and you're working, sitting across the table from a patient. Or in the booth with a patient and seeing the impact of our technology.

Brandon Sawalic...: And everybody has a story.

Dave Fabry: Yeah. And it's really, I think still what drives is our technology in the professional's hands. Deliver that delight, that 88% satisfaction, that net promoter. And like I said, I absolutely welcome the competition.

Brandon Sawalic...: Yes.

Dave Fabry: That comes from creating new channel streams for people who are capable technically of doing self fitting.

Brandon Sawalic...: Absolutely.

Dave Fabry: And that over the counter. But I also think, and I also know, that many patients want access to that latest technology, but they don't yet feel comfortable doing it themselves.

Brandon Sawalic...: Right.

Dave Fabry: And they can't do it as well as the professional can. But the key is you can't commoditize caring.

Brandon Sawalic...: No, you can't commoditize it. And that's what, with over the counter hearing aids, there's been more in the past, but every once in a while, like, oh, you're against it. We're against it. No, we're not because we built the products they're trying to really deregulate and provide more access.

Dave Fabry: Right.

Brandon Sawalic...: We want it done right and we're concerned about the reputation it's going to give hearing aids because you and I have both seen, oh, \$99 hearing aid. And then somebody buys it, it's not what they expect. And then we're all labeled.

Dave Fabry: Right.

Brandon Sawalic...: And then the product and the service and what hearing technology is, has a different reputation. Or you see something at a drug store, you just pick it up off the shelf. Okay. One out of maybe 10 might be satisfied or they use it. But it's



not what they're trying to portray hearing healthcare as a commodity. Well, we're lowering the cost of hearing aids. Well it sounds like trying to paint us like big pharma, trying to lower the cost of a pill. It's apples and oranges.

Dave Fabry: Right.

Brandon Sawalic...: They talk about eyeglasses, you and I've talked about it. Oh, you get eyeglasses out of a pharmacy. Well, eyeglass innovation really hasn't changed in 200 years.

Dave Fabry: No.

Brandon Sawalic...: And there's 10 components in an eyeglass to put it together, eyeglasses. And there's 308 components in our hearing aids today.

Dave Fabry: 308. That sounds like Rain Man.

Brandon Sawalic...: Well, I do. I know it.

Dave Fabry: Yeah, no, you know exactly how many. You get challenged on it.

Brandon Sawalic...: I get challenged on it or asked about.

Dave Fabry: But the issue-

Brandon Sawalic...: That's the facts.

Dave Fabry: The issue as well, that people don't understand is that with eyeglasses, for most people who have what I refer to as front of the eyeball, just they need refraction, but they have an otherwise sensory system that's pretty healthy.

Brandon Sawalic...: Yes.

Dave Fabry: It's a different process.

Brandon Sawalic...: Different.

Dave Fabry: You can be corrected to 20/20 or normal vision. Unfortunately, most hearing losses are not ones that allow that correction to pull people into normal. Even people, two people we've talked about this forever. Two people with the same audiogram can have very different difficulties and experiences with hearing loss and with hearing aids. And that's where the role of the professional comes in, to understand the unique element of auditory and non auditory factors that a patient presents to them. And then remember that it is the case that until, in my case, you get older, you start having back of the eyeball problems. Retinal detachment or glaucoma or this and that. Then I say, "I wish that glasses were more like hearing aids."



Brandon Sawalic...: Sure.

Dave Fabry: Because we're doing a pretty good job, 88%, as you said.

Brandon Sawalic...: Right.

Dave Fabry: But the issue and challenge is that there has been tremendous innovation and really over the last, as you mentioned, the last four years, five years, we've been on this journey to fundamentally focus on speech understanding and quiet in noise. But also recognizing that health and wellness connection that hearing provides to overall health and wellbeing. Cardiovascular disease, cognitive health, all of the... falls.

Brandon Sawalic...: Right.

Dave Fabry: And all of those things really have occurred under your leadership. And you brought in Achin Bhowmik and others.

Brandon Sawalic...: Others.

Dave Fabry: In the organization to be able to help innovate in an area by getting people to think of hearing aids that connect to smartphones, that provide physical activity, social engagement, and that bigger connection to their life.

Brandon Sawalic...: Right. And Mr. Austin had that vision back in 1998. Where a hearing aid becomes more of a life aid or however you want to say, right? Overall health and wellness. And you have to start somewhere. So you get criticized about trying new things and you fail, you fail fast. But then you narrow in what is essential and is working and is helping people from the patient standpoint? What we do with our fall detection alert, how many times we've heard the stories? If we save one life, and we've heard more than one story, it's worth it. Now it's not for everybody, that's fine. But what's for everybody is better hearing. The sound quality, hearing in noise, go down the list. So we're on the right path and it's okay.

I'd rather say we tried and failed, or we tried to succeed than not try it all. And it's hard. You want to do what's hard. And it's our responsibility, and I wake up every day embracing that we will do what's hard. And we owe it to the patient. We owe it to our customers and we do what's hard. But we also have to make the ease of use intuitive. Because we talk about Apple and you look at what Tesla and others do, where they don't have to open an instruction, but it's just intuitive.

Dave Fabry: Intuitive. Yeah. Straightforward. The user experience.



Brandon Sawalic...: The user experience that we have a demographic that we work with and we're getting better. We're never going to be, we're not perfect, but we're getting better. And we have the heart to continue to push ourselves.

Dave Fabry: Well, and again, another mantra. Better today than yesterday, better tomorrow than today. And continuing, as long as we're on that positive slope, then we're going in the right direction. We're trying hard things.

You talked about earlier the fact that we treat our customers and want to be closer to our customers. Talk a little bit about one of your babies, is Hearing Innovation Expo. And in 2023, we will be having another one.

Brandon Sawalic...: Yes.

Dave Fabry: Held roughly every two years with just the COVID kind of interrupted this.

Brandon Sawalic...: We had a skip year.

Dave Fabry: Cycle.

Brandon Sawalic...: Right. I know. Yes.

Dave Fabry: And talk a little bit about why it is that you had this idea to bring together all of our ... I mean, it's become the biggest industry conference and meeting in my experience. I mean, I can tell you, it has provided me with some professional and personal highlights when I look back and reflect on my career. But why? What caused you to say, we should try this? Because we talk about doing something hard, that's a hard one.

Brandon Sawalic...: Complete transparency. What started it, but then where it ended, it was 2010, I think. Close to that time-

Dave Fabry: I was on the sales side of the organization. Yeah.

Brandon Sawalic...: And just like other at the time Starkey has different brands and customer groups. And so for us, when we did a product launch or a meeting, you're doing one for Starkey and Audibel and NuEar and MicroTech. And we were like, what is it, four or five weeks in a nice destination. That everybody like, oh, that had to be great. No.

Dave Fabry: You're gone from your family. You're gone from your life. You're gone from your routine.

Brandon Sawalic...: So I'm like, we're doing, it goes back to that innovative. How do we do it different? Because innovation beyond technology. So I was on a jog one day, and I need to start picking that back up, but I think better. And I started



thinking, because Mr. Austin rented out a cruise ship. First one in the industry and actually for Royal Caribbean in 1988. Never been done before and brought the customers on for education, the comradery, and a lot more. And I started thinking, we can't keep doing this. I mean, we got a lot of good customer groups and I think, why are we doing it? You think about the brands and the team, right? The teams and your team color and who you root for. I'm like, there's got to be a better way.

And I thought first, I went back to the cruise. And then philosophically, I went, this industry has more in common than it has differences. Doesn't matter if they're across the street or competition, it's about helping people. So what could Starkey, if there's a company that could redefine and put together what CES and other industries do, because there isn't one.

I mean different ones for IHS, ADA, Triple A, we know that. But for us as a company, and being private and what we do for the right reasons, can we bring them all together? Strength in numbers. And it's not about oh, the big celebrity speaker. No. You and I both know when we do the agenda, we pick the people that either understand what we do. Or they have similar businesses that they've started, that our customers can take something away from, including us. So yeah, what if we did something in Las Vegas and put everybody in the same room for three days? And individualized the days for technology to market to purpose. Because Starkey's all about purpose.

Dave Fabry: My favorite day.

Brandon Sawalic...: Yes. Because you've hosted those days and kicked us off because you get it. I mean, you've been doing it for X amount of years. And it just kind of evolved from there because I thought it's either going to really go bad or it's going to be successful. And quite frankly, I knew it would be successful because I remember the first time it kicked it off that Wednesday night. You go out there and you get out there and there's 3000, no, there's 3400 people and they're looking at you. And you're like, first thing is like, there's a lot of people here. And the second thing is, but why are we here?

Dave Fabry: Right.

Brandon Sawalic...: And that's where one of the first thing I said, we're here for a reason. We have more in common than we do different.

Dave Fabry: I remember that because that was really what set the tone. Because initially I'm sure there were tribes that formed.

Brandon Sawalic...: Yes.



Dave Fabry: And when you set the tone with that, that we have more in common than there are differences, it leveled it. And then everyone sort of just, it was almost like an AHA moment for 3400 people.

Brandon Sawalic...: Because how we make it, we made it about them. We made it about the patient. It wasn't about Starkey, and I've always held to that. Sounds ridiculous because it's pretty expensive and people that come there and you got to show the ROI. That's the aftermath because I wanted people to leave there, and we talked about it, motivated. That extra little pep of their step when they get back to the office.

Pull out that file, and you could think of that one person you can help a little bit more. Maybe with their technology or the way that they're treating or managing and developing their employees. From how we have outside experts come in on whether it's hiring and developing your teams. Or to how your office should look. Just the basics. It's just that motivation.

Dave Fabry: Absolutely. One of my favorite ones was in those early days, sort of envisioning how they might practice in the future and sort of having hands on and interaction. And I think that was what was really fun too. And continues to be that in the ... You're right. We've had Presidents, we've had global business leaders and thought leaders on the main stage, and some phenomenal ones that have just blown my mind.

But we've had as many that have been on some of the smaller stages. It's like going to a big festival, an academic festival, a learning festival, and having people that you relate to because they're just like you. And then you have people that have had parallel industries bringing in their experience. Then there have been how many Presidents have been here?

Brandon Sawalic...: Yeah. No, it's-

Dave Fabry: Do you have any favorite moments? I mean, it's awfully hard to pick.

Brandon Sawalic...: Oh, my goodness.

Dave Fabry: It's like picking your favorite kid.

Brandon Sawalic...: Well, sure. I mean, I won't take the time on all the detail and the moments, but speaker wise, if I look back, Magic Johnson.

Dave Fabry: Yeah. He jumped off the stage and jumped down into the audience.

Brandon Sawalic...: He was in it.

Dave Fabry: Yeah.



Brandon Sawalic...: And he talked about purpose and business and why. And because I had heard him talk before. And philosophically, I knew where he was coming from. But when he got in that room he was well, no pun intended, he was magical.

Dave Fabry: When he jumped off the stage and went down and just started asking people questions, just spontaneously.

Brandon Sawalic...: He cared.

Dave Fabry: He cared.

Brandon Sawalic...: Yes.

Dave Fabry: And that was phenomenal.

Brandon Sawalic...: I mean you could go into... it's the moments too behind the scenes. Like with President Bush, he and I talking. And with Tony Blair at the time and-

Dave Fabry: Colin Powell.

Brandon Sawalic...: Colin Powell.

Dave Fabry: Unfortunately, Colin Powell-

Brandon Sawalic...: Was the last one.

Dave Fabry: Unfortunately he died like a year or two later.

Brandon Sawalic...: The butterfly effect.

Dave Fabry: Yeah.

Brandon Sawalic...: The author is escaping me for a second, but nobody would've thought that that's going to be the guy. And I told people, watch for him because this is going to be the guy that's going to inspire and give you that message that you matter. Every little detail matters.

Dave Fabry: Yep. Tim Shriver was great at the last one.

Brandon Sawalic...: Tim Shriver blew it out. Randy Zuckerberg.

Dave Fabry: Yep.

Brandon Sawalic...: Dave Fabry.

Dave Fabry: Oh yeah. Yeah.



Brandon Sawalic...: So I mean-

Dave Fabry: You want to give any hints for who's coming in 2023?

Brandon Sawalic...: Nope.

Dave Fabry: Nope.

Brandon Sawalic...: Nope. But I could tell you that it will be forward looking.

Dave Fabry: Yep.

Brandon Sawalic...: It's going to be, we respect the past and what we can do as a company in our industry, but we have to be forward thinking about the digital patient that's here. Doing the best we can for the boomers and what's in front of us. But also it's not fearing what you don't know and fearing OTC and all that.

What are you going to do in your community? Better hearing and hearing healthcare is community based. And it's giving our customers ideas and the courage at the time. Because people are thinking, oh, it's changed, I got to get out. Or whatever it might be. No you matter. Stick out a little bit longer.

Dave Fabry: Yeah. I think it's that being in the collective, in that room, 3400 other people that gives you courage. That enables you to get over whatever fear you have, whether that fear, and the fears have always been there. Bill's like, "Well, cheap hearing aids have always been available." You can't come commoditize caring. No matter what the fear is, whether it's an OTC or third party, or big box stores, or whatever the fear of tomorrow will be.

Brandon Sawalic...: We've always had challenges.

Dave Fabry: I think the collective, when you realize you're all united in a purpose to focus on the patient, is what prevents that fear from overtaking people in that group.

Brandon Sawalic...: And what's great with the people we talk about, you interviewed President Bush before too and others. And I have and with Richard Branson, we had Matthew McConaughey the last time. And it becomes a conversation. I mean, I've had my papers and questions on it and I just like, we just start talking. Because they relate and understand what we do.

Dave Fabry: Totally get it. McConaughey, when he had his kids out there hopping around on the-

Brandon Sawalic...: That was, unprompted.

Dave Fabry: On the sofa on that. It was-



Brandon Sawalic...: That wasn't planned. I remember them looking out and he talked about and just have them come up because it's genuine.

Dave Fabry: Yep.

Brandon Sawalic...: We don't need to produce or manufacture a moment, it just needs to happen.

Dave Fabry: Well, I look forward to 2023. And as usual, we've run out time before we ran out of things to say.

Brandon Sawalic...: Oh, we could keep going.

Dave Fabry: We could go for a long time here, but-

Brandon Sawalic...: Well, thanks for having me. I appreciate it.

Dave Fabry: It's my pleasure. Is there anything that you'd like to share that listeners may not know about you? Or any pearls of wisdom, tidbits that you want to offer before we close?

Brandon Sawalic...: I think between social media and a lot, people know a lot about me. More than I would want. And they think they know me, but they don't. But for me, it's my leadership style of why I'm here. Because you ask asked questions I haven't been asked before. Because I always get that, what do you want your legacy to be? Or those type of questions that-

Dave Fabry: You're too young for a legacy. Yeah, forget that.

Brandon Sawalic...: I just want to be part of a team. I want Starkey and the people of Starkey to be successful, and we help more people. It's not about the market share or the big profit play, because I know we can do that. Money and what we invest in, helps us for our tomorrow. Because as Mr. Austin said many times, "Tomorrow's not a promise, it's an opportunity."

And boy did we learn that the last two years. We had to do a lot of things that we didn't want to do, but you prioritize. Servant leadership. And I think everybody, titles can be earned, but what are you going to do with it? And I'm sorry, there's nothing, there's no silver bullet at Starkey. In our customers, offices, or anything we do that's going to just make you instantly successful, except hard work.

Dave Fabry: Yep. I think one of my heroes, Vince Lombardi said, "The only place that success comes before work is in the dictionary." And I think that holds true. You are one of the people, I can't think of another person who's better at coming up with sports metaphors as they apply into business. So what I want to close with, is what's your favorite sports metaphor that you've used, or thought of, as it



applies to a lesson that you've learned or that you're trying to strive for? I'm stretching a little bit to give you a second to think about it.

Brandon Sawalic...: No, no. I-

Dave Fabry: What's your favorite one?

Brandon Sawalic...: Two things popped to mind and I don't know if it's exact story or a ... Is everybody needs to play their role. Whether you're a wide receiver, offensive line, or quarterback, right? You got to play your role. Don't get distracted.

Dave Fabry: I'm the long snapper. No.

Brandon Sawalic...: Work as a ... Right. You're I'd say a punter at-

Dave Fabry: Okay.

Brandon Sawalic...: But you have to understand your role. Don't get distracted or bored, do the very best you can and then other things will follow. So play your role and you win as a team.

Dave Fabry: Yep.

Brandon Sawalic...: Championships are won through teams, not individuals. And at Starkey, as I say, we're not looking for the MVP. It's not about one person. You have to win as a team. And Magic Johnson's words always have stuck to me from the first time I heard him probably in 2014, 15, winners win.

And if you have a winning mindset and you have the right team with the right attitudes, you're limitless. And so that's why when you ask me, what's my biggest concern? And I always get asked that, what keeps me up at night?

Dave Fabry: Yeah.

Brandon Sawalic...: It's ourselves. We have to execute and do what we say we're going to do.

Dave Fabry: Well said. And on that, I think we'll just end. I appreciate greatly you're taking the time to sit down. I know you got a lot on your plate.

Brandon Sawalic...: Well, so do you. I've always enjoyed working with you.

Dave Fabry: Pleasure.

Brandon Sawalic...: You know that. Thank you, sir.



Dave Fabry:

Thank you. And to our listeners, thank you for listening to this episode of Starkey Sound Bites. If you enjoyed this conversation, please rate and review us on your preferred product platform. You can also hit follow or subscribe to be sure that you don't miss a single episode. We'll see you and hear you next time.