

Inspiring Women

Episode 30: Kristen Valdes

Laurie McGraw:

Welcome to Inspiring Women with Laurie McGraw. I am your host, Laurie McGraw. I have spent the past 30 years in leadership and over the years, I've come to learn one thing. Women need women. And not just any women, but inspiring women. Tune in every week to hear from women at the pinnacle of their careers and from others who are just starting out. Episodes can be found at inspiringwomen.show or subscribe on your favorite podcast app. Thanks for listening. And I hope you will be inspired.

Laurie McGraw:

Welcome to another episode of Inspiring Women. And today, we're speaking with Kristen Valdes. Now, Kristen is the founder and CEO of b.well Connected Health, and she has dedicated her career to empowering consumers with the data and tools to take control of their healthcare journey.

Laurie McGraw:

Now, Kristen has pioneered inventive solutions. She's very focused on consumer directed, the future of digital health in that particular arena. She's driven in that quest based on a personal story, which we'll hear a bit about, her experience as a mother with a child with an auto immune disorder who nearly died due to the lack of health data interoperability. So an incredibly personal story and committed mission.

Laurie McGraw:

So Kristen founded b.well, which is named for Bailey. That's the B in b.well. In 2016, already this company is on a path. She secured \$16 million in Series A funding just last March. And prior to founding b.well, she was an executive at United Health Care and she was running Medicare Advantage plans across 12 states. She also started her healthcare journey working for CMS, and she was building a national payment integrity program for Medicare and Medicaid. She then built XL Health, which was then sold to, acquired, by United Health in 2012 for \$2.4 billion. So she's no stranger to large transactions.

Laurie McGraw:

Now, Kristen has won a number of awards for her leadership, including Maryland's most admired CEO. She's one of a couple women who are transforming the industry and her company has also been quite recognized. One of 35 healthcare startups to take off in 2021, a best place to work, a top innovator and has won a number of innovation challenges.

Laurie McGraw:

And Kristen, I am very excited to be speaking to you this morning.

Kristen Valdes:

Thank you so much for having me today.

Laurie McGraw:

Well, great. Well, let's get started. Now, what I'd like to do, Kristen, is just get oriented to accomplished women like yourself. Just starting to talk about like, what are you doing right now? What are you focused on in your day-to-day professional career?

Kristen Valdes:

Yeah, I'm focused 100% on b.well and b.well is a platform that is designed for consumers to have all of their healthcare data in one place. It just becomes increasingly frustrating and fragmented for consumers, not only the cost of healthcare, but how difficult it is to navigate and to access. And so we're working with and across the industry to try to open up new technology standards that will empower our consumers, not only to have access to their own health information, but to get those personalized insights and then have easy access to care.

Kristen Valdes:

I like to say all the time, as a consumer, I can order a pizza, watch it go into the oven, come out and get delivered to the door for my 16 year old son. But I can't make an appointment online for 99% of my physicians. And so, we're trying to make healthcare simpler.

Laurie McGraw:

Well, I think you know a lot about the complexity of healthcare. I mean, you started your professional career working with very complex health plans at United Healthcare, CMS. These are largest payers in the nation. And so I think you've seen firsthand the complexity of that. And then you move to digital health and it came from, as I mentioned, a personal story. So give us a little insight into that, Kristen, if you wouldn't mind.

Kristen Valdes:

Yeah, absolutely. So during the time that I was helping to build XL Health and when I was at United Healthcare, I had given birth to my second child, Bailey and Bailey was born with a very significant autoimmune condition. And even as a healthcare industry expert, I found it impossible to navigate her care. It felt like every doctor that we went to and every specialist, we had to start over and we had to tell them all of the story and everything that had happened and our observations and all the tests that had been performed. And it just felt like we were constantly repeating ourselves and then running more and more diagnostic tests and then being referred to new and different specialists. And it was complicated and it was frustrating. And I was always the mom that knew too much about healthcare, asking questions that I probably shouldn't have been asking, but this was my child.

Kristen Valdes:

And then there was an encounter where she was given by her pediatrician, who we adore, just a routine maintenance medication for a sinus infection, which kids get, and her body killed off all of its own blood platelets. And she ended up having to be rushed to children's hospitals, to Hopkins, in this case, to see a pediatric hematologist, which is probably the third time in her life they misdiagnosed her. Told me originally that she probably had cancer. And the reality was that she had been given this medication that was in conflict to her diagnosis, which she has authorized me to share with the world because she does suffer from lupus. And there was no way to know, because the lupus diagnosis was sitting in a rheumatology system and her pediatrician had no access to that because their EMR systems could not communicate. And had they been able to, then the drug to disease algorithms that run any EMRs would have picked up the fact that she could not have had that medication.

Kristen Valdes:

And so she nearly lost her life and it was because of interoperability that wasn't accessible then, and I've been fighting to change that ever since.

Laurie McGraw:

Kristen, I appreciate you telling that story. I know that this is the beginning of all of your focus on building this company. At the same time, as a mother, as somebody even, myself, hearing this story from you. I mean, that is absolutely stunning and difficult. And seeing your child, when you do know so much about the healthcare system and being unable to navigate it and have those kinds of circumstances, I mean, it's just horrible. It's horrible. And it's frightening. And I am feeling that discomfort in listening to this story.

Laurie McGraw:

But building on that, moving that passion, frustration, knowledge, and then turning it into building a company. Now, that is its own big leap. So I understand the passion, but talk about how you took that energy and put it into building a company and taking that leap.

Kristen Valdes:

Yeah. Well, I'll tell you that in building Medicare Advantage plans, I was very frustrated and I would say I was growing frustrated with the fact that a lot of the leadership that I came across in the industry still didn't believe that we should be collecting things like email addresses or mobile phone numbers for this population. And what I saw very clearly was that the world was becoming more and more digitized.

Kristen Valdes:

And so in my work, I was responsible for trying to engage users and help close gaps in care and really align people to evidence-based medicine. And what I saw and heard and learned from our populations was that it was complicated and hard and nobody was giving them information timely. And I wanted to get more digitized because I knew that especially as time went on, that more people would be aging into Medicare would be significantly more digitally savvy. And we're actually seeing that folks who didn't grow up in a digital environment that are in the oldest parts of Medicare are also digitally savvy. Not all, but many.

Kristen Valdes:

And so, I recognize that there was an opportunity to actually solve both problems. The frustrations I was experiencing as a mom advocating for a child and as a caregiver to a parent with chronic disease, as well as solving for the business challenges of getting to people in real time and meeting them where they were. And it was the same answer.

Kristen Valdes:

And so we set out to build the platform to ... We knew that we wanted to build it with a consumer experience that everybody had been asking for. But at the same time, we knew that we needed to make sure that it added value to the system, not just additional costs, because obviously we're trying to take the cost out of healthcare. But we really needed to make sure that we could help drive value and make people healthier and do it at a lower cost of care. And all of that can come together within the same platform, but we had to have some key regulatory changes made first.

Kristen Valdes:

And in 2020, I am super proud to say that information blocking and interoperability are regulatory changes that were made, which effectively in short order just means that consumers now have the basic right to access all of their health information through an open API, through any trusted third party or application of their choosing. And I like to call that the Sentinel event that changed healthcare forever, that no one saw coming.

Laurie McGraw:

And so, here it is. And so, you've got incredible deep knowledge of, again, the complexity of healthcare, from a reimbursement standpoint. Now you have a personal awareness, in terms of how it affects not just everyone, but you personally, your daughter and you understand the confluence of technology change, just policy changes and are building a solution for that. At the same time, you're creating a company.

Laurie McGraw:

Now, you're a female CEO and founder. If we look at the studies, there is only in the last 10 years, 15 to 20% of people like you, who are starting companies. And that's in a span of 10 years. So congratulations on being one of you, but do you see, just this is inspiring women. Do you see a difference? Was there something unique? Did it feel unique to you to be a female entrepreneur, CEO, founder of a company?

Kristen Valdes:

It's funny. I actually didn't know those stats until I started the company. I was very fortunate in my career to have some phenomenal female mentors. And it's why today, I'm into younger startup companies that are led by women. And I participate. I give my time to organizations like a Springboard, which supports women led entrepreneurs.

Kristen Valdes:

And it's so important because I didn't realize the advantage that I had walking into this, that I was at a disadvantage. Now, are there stories I could tell about being a female entrepreneur and raising capital? Absolutely. I'm sure most men don't get asked when they're raising money, "What does your wife do for a living?" Because I can count on one hand the number of times I was asked, "What does your husband do?"

Laurie McGraw:

What a great question. How incredibly important to how you're going to run the company. Great.

Kristen Valdes:

And it's funny because I think that I feel very empowered and supported to know that there are people that I'm just not going to do business with. And I think it's important also that we support one another. One of the things I wish I had had when building this company was I wished that I had had a mentor that went right before me in the same space that I was selling into, in the same space that I was building a company in, because I could've done it a lot faster. So we always say that hindsight is 20/20, but the reality is that it is, when you're building a company. I could look back now and say what we've done in six years could have done in three, if I had just known then what I know now. And I do understand why people put money into serial entrepreneurs, because there's a lot of lessons learned. And so I think it's important to help expedite other female founders to give them the most coveted thing that an entrepreneur can have and that's more time.

Laurie McGraw:

And the resources and awareness of how to get to other resources. So let's dig into that, Kristen, because I think that's such an important point. And in the world of venture, again, there's recent research on from Harvard Business Review, just this year. 2.3% of venture money went to female CEOs and entrepreneurs. 2.3%. And that is down from a whopping 2.8% the previous year. And it's almost good to not know those statistics because they're so stunningly difficult.

Laurie McGraw:

So let's dig into some of those experiences you had in terms of raising venture capital, because you did do it successfully. And it really is for other listeners who are going, that you are trailblazing for, so they can learn from your experience. So you gave us the story of what does your husband do? How helpful to what you're going to do for your company. What are some other things that you encountered that didn't seem like perhaps the best focus on what you were going to do to build your company?

Kristen Valdes:

Yeah. In all of my experience, there's one kind of resonating theme that I think women need to be aware of, especially when they're raising capital. And this is now I believe been proven statistically, I'll have to find the study and send it over for all of your research. But women tend to get asked a lot more about downside scenario, where men can come in and say, here's all the positive momentum of the company. Here's where we're going and realistic or otherwise, they don't get asked as many questions about what happens if. And so what I learned is that in my presentations, because I am female, I have to cover the downside scenario very quickly. And I need to make sure that I show people that I'm being more conservative and that I've got tricks in

my back pocket where even if there were a downside scenario, I have it handled, and I'm still going to hit my numbers.

Kristen Valdes:

And I don't think that men have that same level of need when they're out there fundraising. So I just tell women all the time, just you know that it's out there and you know that it's going to happen, be prepared for it.

Laurie McGraw:

And how did you learn to do that? Did you strategically think ahead of these meetings? Did you bring sort of like the surround team to support the stories? What were some of those strategic things that you might have done, just seeing that there was some differences in terms of what you noticed in terms of what you were being asked?

Kristen Valdes:

Oh, I would say I definitely learned the hard way. I got a million nos before I got yeses, because I didn't know how to present or pitch for capital as a female. So I definitely through experience. I was told no a number of times. And I learned from the questions that I wasn't covering in my pitch deck, the downside scenario, and that's what all the questions were around. And so I take very good notes after every time I go into a capital raise meeting about the questions that I was asked, and then I made sure that in the next pitch that I did, that I could actually answer all of those questions, in addition to my pitch.

Kristen Valdes:

And so, you really have to hone and refine that pitch. And it's something that I like to help mentor people with today. Because again, it took me months to have conversations with people to hear no and to hear all the questions. Where now, it's really distilled down to a set of kind of secret sauce that, depending on what stage, whether you're in seed or A or B, that you're being asked and the metrics that you need to have measured. In large part, if you have those questions answered in your deck, you have a really impressive pitch and it helps you to raise money a lot faster.

Laurie McGraw:

Do you change your approach based on who's on the other side of the table and what the demographics look like, in terms of who you're pitching to?

Kristen Valdes:

No, I don't do that. And I think that I want to be able to stand on my own. I want my company to stand on its own. Every startup has stories, right? You have ups and downs. And then of course, this past year has been a challenge for a number of the younger companies because we were in a COVID year and healthcare was very busy. So there wasn't a lot of buying going on, right? And so, people who had to raise capital during that timeframe or even after, trying to recover now. There are certain things that you need to cover to show that the market is coming back and that the momentum is here.

Kristen Valdes:

But I don't change my pitch based on who's on the other side of the table, with the exception of whether or not they are a true financial venture capital firm, or if they are a strategic. And strategics are, I think what's really good for healthcare investing is that every health insurance company and every health and hospital system now either has the venture arm or as an LP in some form of venture fund. And so what I've learned is that there's also a really great way to get in the door to new customers, which is going to those VCs and helping them understand your product because they know the pain points of the organization. And so strategics can be a lot, I would say, more founder-friendly, in just when you're in the beginning phases of building a healthcare company.

Laurie McGraw:

Well, there's a lot in there and I think really helpful advice for other female leaders, entrepreneurs, founders, that can sort of shorten that time. It took you longer, you feel, because you didn't necessarily know the ropes. You have to learn it. And I think the how to focus your pitch appropriately, just knowing that there are biases out there and that's a challenge, but there's also things that you can do to be very effective. And obviously, that's been true for you since you had a very successful series A.

Laurie McGraw:

Now, Kristen, I did some reading in terms of the numerous awards that you've won. And one of the things I've read that you've said is that you're very intentional about building out your leadership team. You have 50% women on your leadership team. Why is that important? How is that working out for you?

Kristen Valdes:

I believe having a diverse team in general is critical. We're not building a healthcare product for Kristen and Kristen's daughter. We're building a healthcare platform that services all populations. So we have, very early on, we created a diversity and inclusion committee that's volunteered through a number of our employees and staff. And we're very deliberate about our hiring practices. We're actually one of the founding companies in an organization called Baltimore Tracks, which is designed to get black men and women trained from a STEM perspective early in their career, and then giving them a pathway into a corporate organization. Because I can tell you that in hiring, especially an engineering team, that 99% of the resumes I get all look the same, from a demographic perspective. There are very few women, there are very few underserved population representatives, and it's really hard to build a product for the world if you don't have the world represented in your company.

Kristen Valdes:

And so it's important to me to have representation that is diverse on the leadership team and across the organization in general. And we are still working very hard at that and we have a lot more work to do.

Laurie McGraw:

And so, Kristen, the whole world seems to be focused on DEI kinds of initiatives and hiring practices. And you were very intentional in doing this years ago. So while you have more work to do, some of that is already in place, and what are the results of that? How does that change the engagement of your team dynamics? Is everybody just woke or is it really productive in having different results for your company and your customers?

Kristen Valdes:

We've been very intentional about building an internal culture. And I will tell you that our team is something that we are awarded on regularly and that our customers appreciate. In fact, there are interviews with a number of our customers that state like there isn't a team that we think could have accomplished what b.well has accomplished because it's not me. It's the great people that surround me.

Kristen Valdes:

And I think specifically to talk about women in leadership positions, why it's so important for us, most people don't, I haven't put a number on it, but healthcare is consumed as the family unit across our country. And actually, largely across the world. There tends to be one healthcare decision maker in every family who coordinates all of the appointments and pays the bills and manages the healthcare. 86% of the time, that's a female. So that you have to have people who are experiencing and living the decision-making and the convenience aspects of caring for kids and caring for parents, which is happening a lot more now our parents are living generationally 25 years longer than the generation prior.

Kristen Valdes:

And so, we need to listen to women because they are the ones who are the largest consumers of healthcare. And we should be creating products that empower us to service what the needs are that they have and to try to solve for the frustrations. And so we have entire groups that are focused on just use the ability and are out there in the market, talking to anyone and everyone they can with a healthcare story, to understand where their frustrations are and try to see if our platform can help.

Laurie McGraw:

Well, your passion is really coming through in terms of how you're talking about it. So I can really tell that this matters to you and that you're living on these words, not just words on a page.

Laurie McGraw:

Let's close out here a bit, Kristen. This has been just a terrific conversation, but as you mentor other women, as you give advice so that people don't have to learn it for the first time the way that you have had to learn many things to get to where you are, what are some key words of advice that you might give other women leaders, entrepreneurs, founders, who want to get to the place like you?

Kristen Valdes:

Yeah, I mean, number one, first and foremost, is find your advisory team. Find people who are current in the space, find people who have the same passion for the problem that you're solving

that you do and make sure that they can help you, that they can create introductions for you and pathways. I waited too long, thinking I had to do these things on my own and the minute that I found an advisory board and put it together and started to leverage it, even in my earliest days, it was game-changing.

Kristen Valdes:

So I offer a lot of my time to companies. I sit on boards and advisory boards and I help mentor younger companies through great programs like Springboard and Guide Wells program. There are also some phenomenal early stage programs that don't take equity. I found one of the things that, in my very early days, is there's a lot of people that prey on young companies and especially first time founders, because they will claim to want equity in your company without any actual commitment for delivering on a result. So be careful of those. But there are some great early stage organizations that can help mentor not only and help refine your pitching, help you surround yourself with the right advisors, but make sure that you're looking for the ones that don't take part of your business from you in order to do that. But they're actually incentivized and aligned to help women entrepreneurs grow and to be successful.

Laurie McGraw:

That is fantastic advice, Kristen. Thank you very much for sharing that. That will be so helpful to others. This has been an excellent inspiring women conversation with Kristen Valdes. And Kristen, thank you so much.

Kristen Valdes:

Thanks for having me. This was fun.

Laurie McGraw:

This has been an episode of Inspiring Women with Laurie McGraw. Please subscribe, rate, and review. We are produced by Kate Cruise at Executive Podcast Solutions. More episodes can be found on inspiringwomen.show. I am Laurie McGraw and thank you for listening.