



# SMOKE AND FIRE ON THE BORDERS

More Survival Strategies for the OTC  
Vandals at the Gate

Christopher Schweitzer, Ph.D.

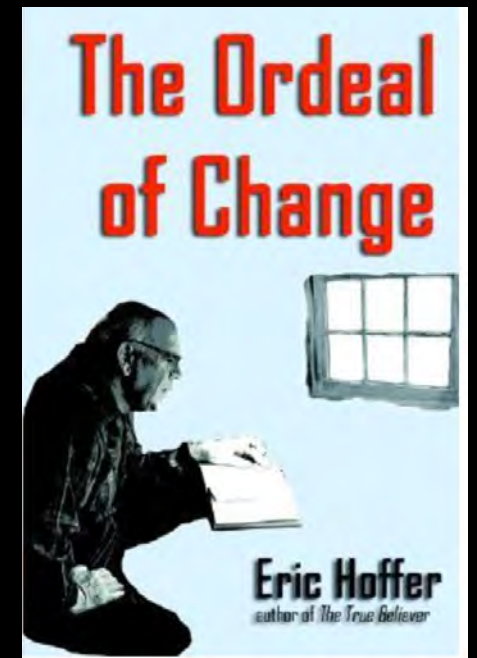


October 24, 2018  
Orlando, Florida

**“IN TIMES OF CHANGE...**

...the Learner will inherit the earth

While the Learned are beautifully equipped  
for a world that no longer exists.”



# Fires!! Oh, so Close!!



Recent (October) AAA online posts:

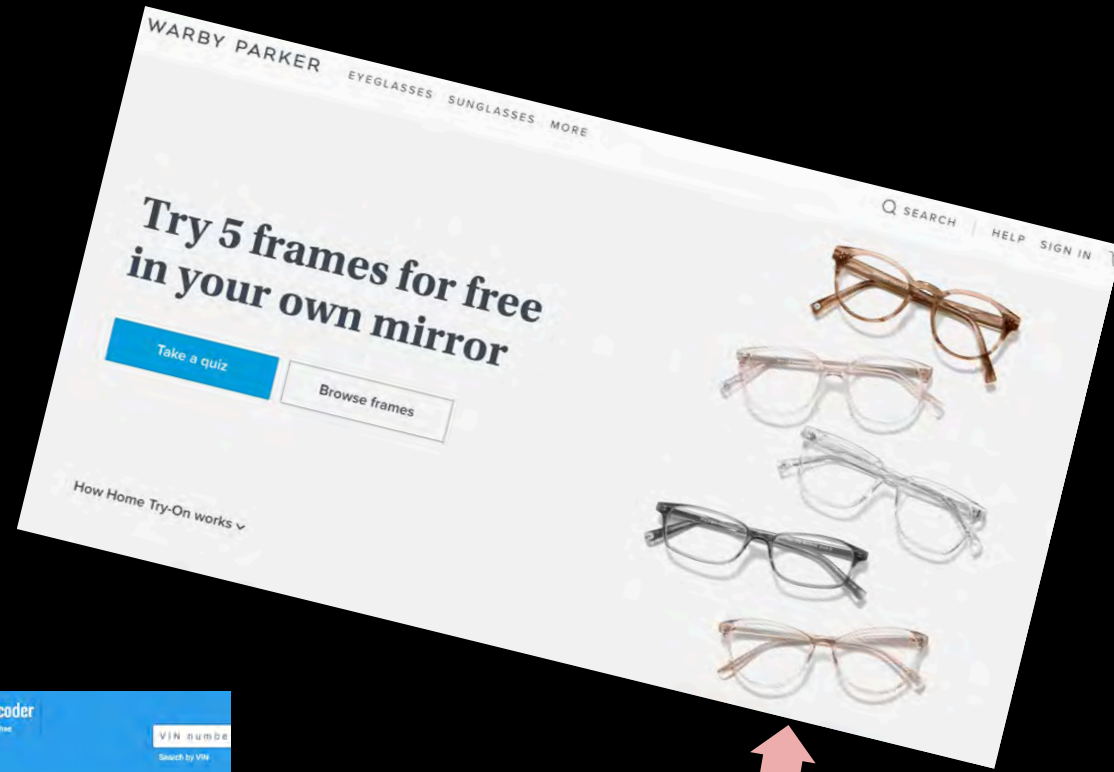
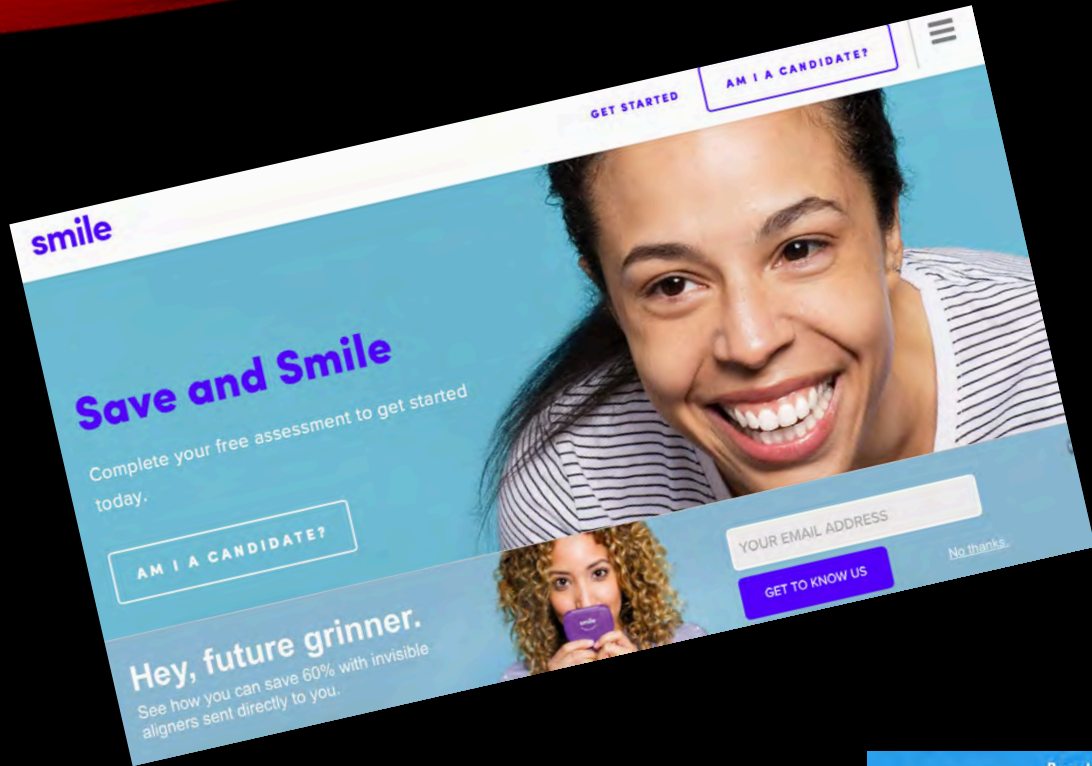
- *'....I'm very angry, very disappointed, and feel helpless to have an impact on steering the ship away from the path of the iceberg. "*
- *"...The world is changing. Our profession either has to adapt and "up" the game or we will be left behind."*
- *"...I hope dispensing audiologists weather this new era that is on our doorstep!"*

# Who Else is Running from Fire?

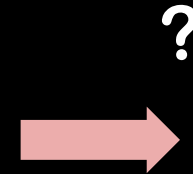
- Warby Parker burns down local optometry shops
- Smile Direct toasting some Dental practices
- CarFax sings local auto dealers
- Taxi Companies get roasted by Uber
- Travel Agents (any left?)
- Book stores in ashes post-Amazon; [Stay tuned]
- Costco, Walmart, Walgreens, Best Buy, Target, ..... Dragons breathing fire on small pharmacies – and .... Oh, No! Hearing Aids and Hearables!
- What's that? BOSE is releasing OTC Hearable/Hearing Aid? FIRE!



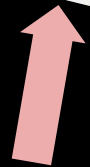
# There's "Smoke & Fire" on lots of Borders



Threatened by Car Sharing?



Threatened by OTC Readers?



?

?



# Mixing Metaphors ..., but



Is this the Sack of Rome ....?  
Coming of Dark Ages?

Or

Commencement of a  
Brilliant new Age?

But first ... **Survival!**

# Reading the Signals in Complex Systems

- Auditory Processing
- Quantum Physics
- Biology
- Botany
- Economics
- Market Dynamics



**Sometimes unexpected Surprises**  
rise out of the Chaos-  
*Stochastic Resonance*



# Danger of Widespread Panic

Are we Running to Safety?  
Or Towards the Fire?

Caution: Who can we **trust** for Rescue?

Do they do what we do?  
Do they feel the same heat?  
Do they profit (\$) from their guidance?  
Do they have same level of sensitivity to the local winds?  
Have they put out fires before?





# Q- Have we unwittingly helped to feed the fire?

Crucial steps  
learned from  
Professionals -  
Enabled  
development of  
Self-Fitting  
algorithms



# A Bit of Relevant History

- Purchased a small private practice 32 years ago–  
[Smoke & Fires on my Borders in 1986?]  
Oh, Yeah- Lots of fires! A few examples-
- Local University started dispensing hearing aids at cost
- Big Chain competitors, (including our own Suppliers!) moved in
- IVs (Insurance Voldemorts) cold kisses on profits & patient control
- Kaiser directly started siphoning off many of our long time clients
- United Health & *HI Innovations*
- Costco - "oh no!"
- Numerous Online direct-to-consumer and Middle Market 'Vandals'

*Outcome: Continued YTY growth to multi-office entity.  
Sold practice in 2017 for >50X purchase price*

So, from a local Practice Owner's  
Perspective ...

Strategy??

?OTC, Hearables, PSAPs?

....

Embrace? Resist? Ignore?



# One Strategic Development



Connecting OTC Consumers to  
Professionals in a Service Platform  
Ecosystem



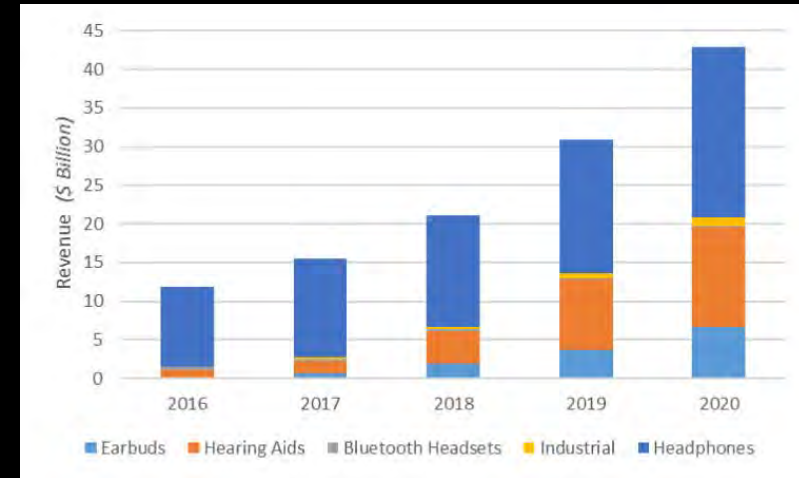
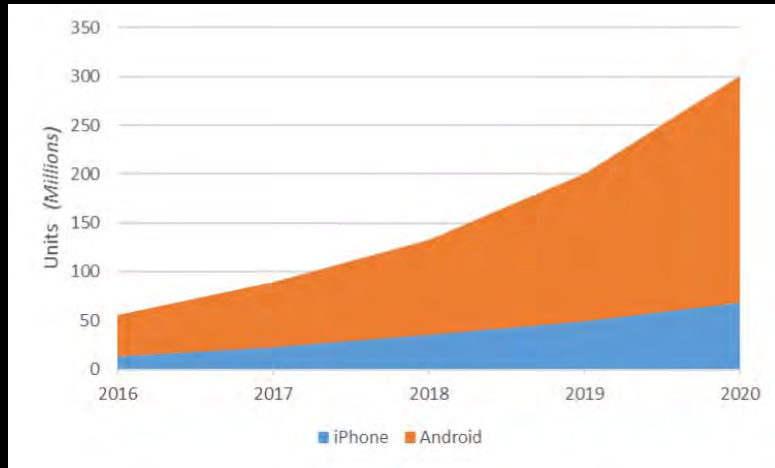
4+ Years R & D  
European Experts in

- Auditory Science,
- Software, Systems integration,
- Market & Regulatory Trend Analysis

*Samplified Europe*  
Netherlands

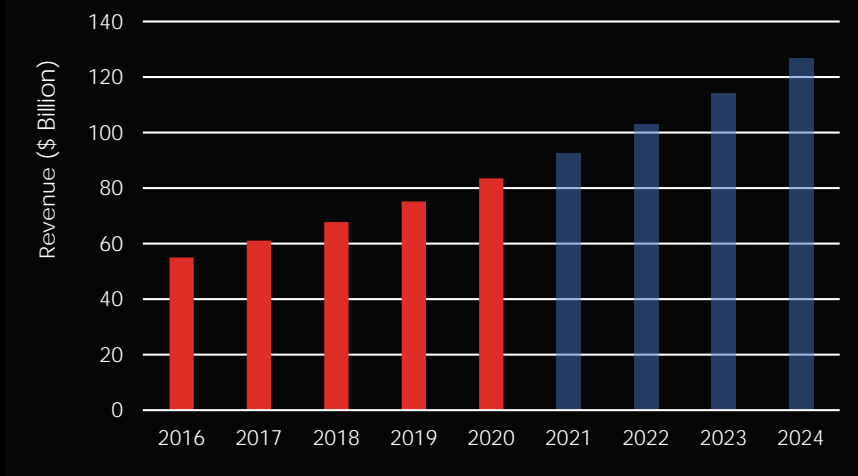
# THE MARKET-

## Market size of Hearables - \$40B in 2020



Market predicted to grow by 11% year over year

## Market size of Voice controlled applications \$83B in 2020



### Sectors:

- Healthcare
- Consumer electronics
- Retail
- Home security and automation
- BFSI (banking financial services and insurances)
- Automotive
- Government

Source: Nick Hunn



# Consumers:

- 75% hearing-stressed consumers still uncertain where to go/what to do  
-the UnderServed majority

## Appeal of OTC/Hearable products:

- Easy to obtain- Low Barriers to Access  
Familiar Retail & Online Suppliers
- Low stigma  
Familiar Form Factors



# THE Problem for Audiologists

De-Medicalization

RETAIL  
Competition

? **Access** to large underserved population

?

- Scarce data & tools to reach & inform consumers in early stage of HHJ (Hearing Help Journey)
- Difficult to build Trust relationships
- Difficult to automate connections

**No OTC strategy ?**

- No OTC products
- No business model alignment



# OPPORTUNITIES



Hearables that enable Professional Service

Hearables via alternative channels

i.e. Audiology practices via apps that route consumers to professionals for Servicing

OTC/Hearables & Kiosks as Lead Generation tools

Increase market outreach to consumer audio customers, - transition to traditional clients.



## EMBRACE:



### ✓ Modify the Business Model

Separate Services from Products for viable Hearables business

### ✓ Introduce New products - Hearables

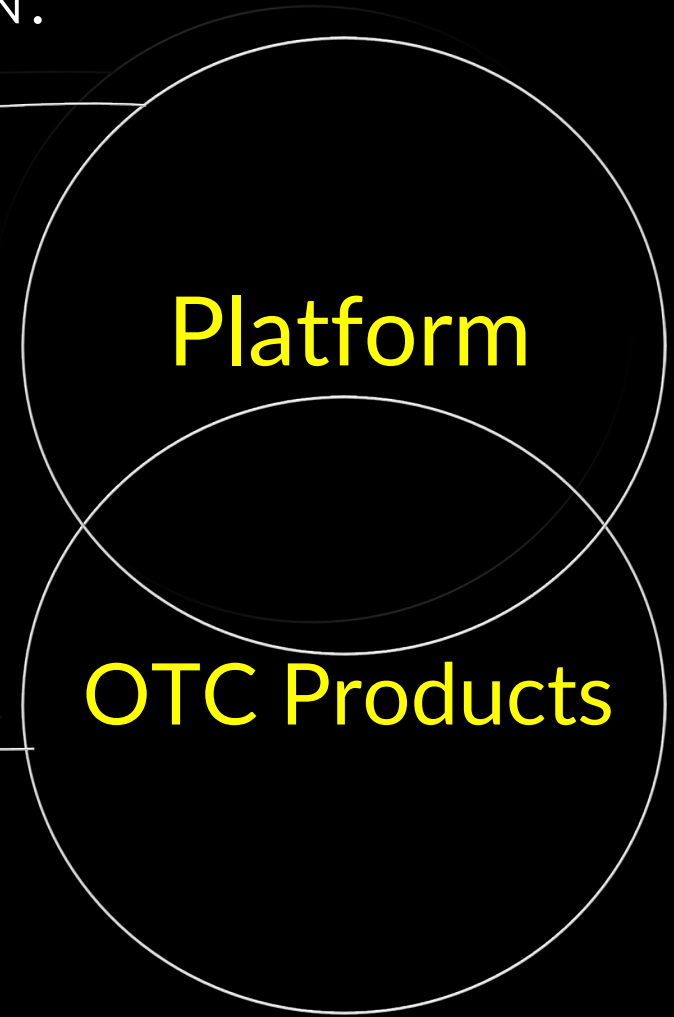
Consumer audio products with hearing improvement capabilities

*{Many do work fairly well for communicative stress reduction. e.g. NSF award}*

### ✓ Connecting technology

- Software platform for Hearables and Industry POS
- Platform capable of guiding consumers at every stage of hearing loss:
- Build long term relationships;
- Transition to Hearing Aids via audiology professionals
- Allows for automating services & Personal client interaction

# 2 ELEMENT SOLUTION:



Products and project:

Clementine kiosk: fully integrates with backoffice solutions



- PMS/OMS integrations available
- Agenda integration
- Compliant lead and customer data integration
- Fully digitalized lead & customer management via Corporate Marketing and Services platform



# Clementine kiosk a proven 80k revenue generator

## RESULTS <12 months

- 1 Kiosk
- 500+ Screenings
- 120 leads
- 60+ appointments
- EUR 80K additional revenue

AUREM HØRECENTER, Aalborg, Denmark  
Gitte & René Sjlund-Baasch





Products and project:

Clementine kiosk: accelerate lead generation & qualification



### **The Software**

- Hearing Screening for Lead generation
- User-friendly <5 minutes screening
- Easy to understand UI/UX
- In- and outside store usage
- Modules: Questionnaires

### **Results**

- Understandable written
- Visual advise
- Results including FAQ
- Conditional output
- Product and services offering, based on results

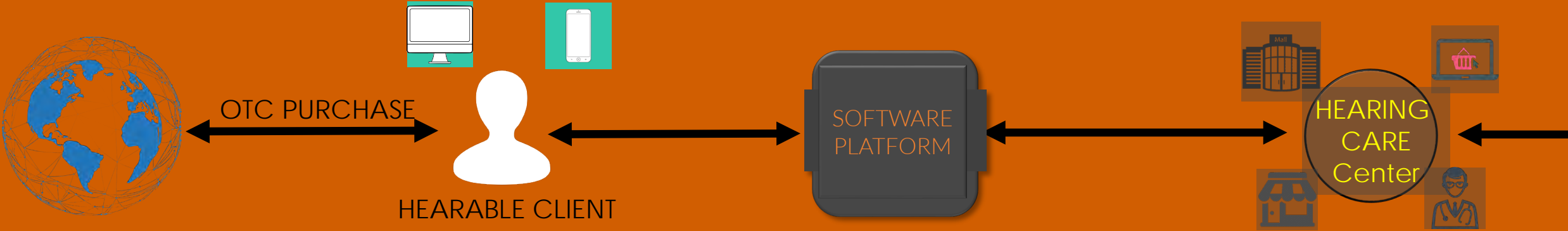
Products and project:

Clementine kiosk flexibility, scalability and maintenance are key!



- Changes to content can instantly be made and distributed
- All kiosks by default available in two languages
- Remote support via Teamviewer
- Easily support/swop the fully calibrated headphones without the need to calibrate the device/kiosk
- Flexibility in hardware (kiosks, stands, tablets, etc.)
- Other modules available:
  - Try Before you Buy
  - DIN Bingo game (VU Amsterdam collaboration)

# PLATFORM



**HEARABLE**

**HEARING AID**





# Without a 'Standard,' a Practice Works in 'Silos' of Narrow Connections

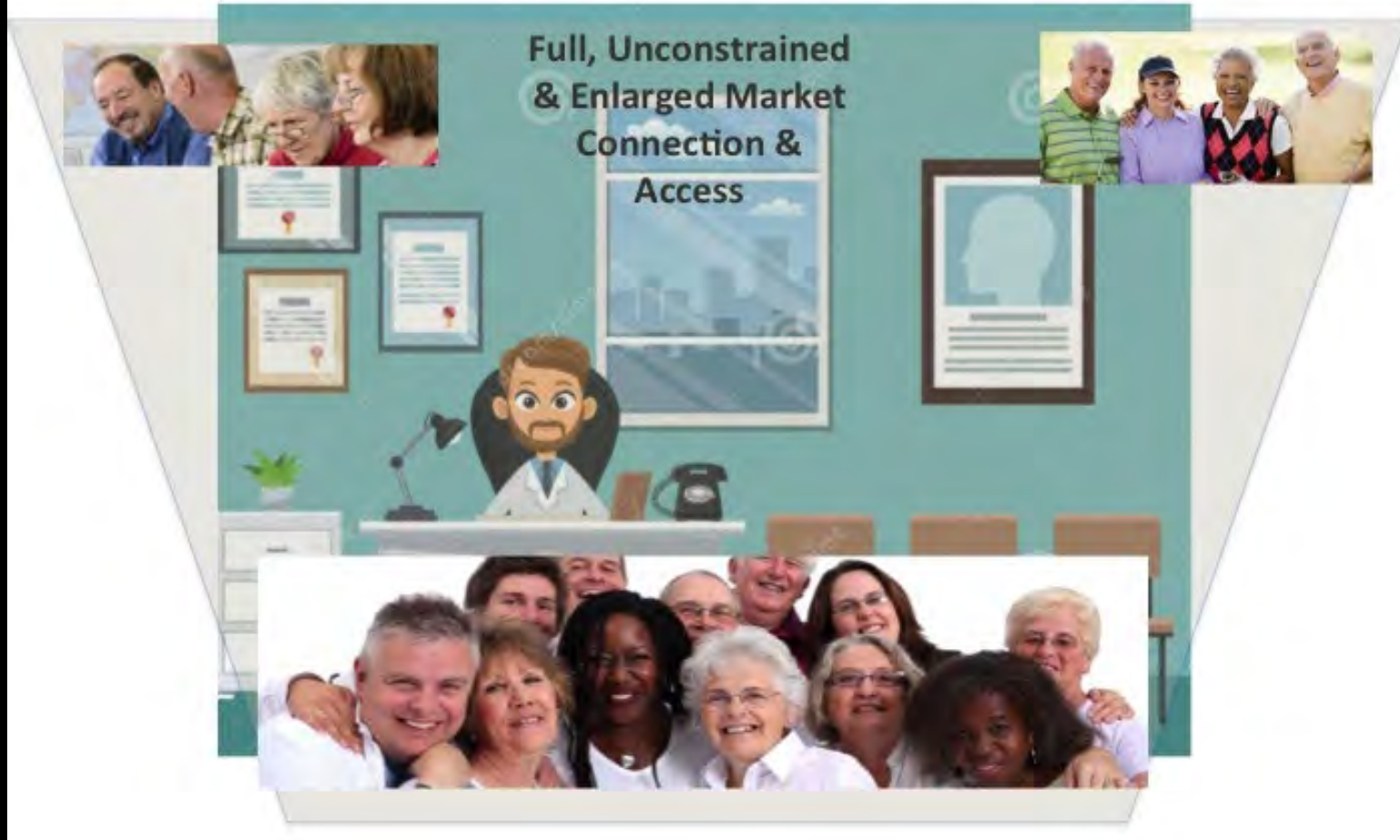
## H.A. Manufacturer-Controlled Platform





# With a Standard Platform, Connections Widen Out to New Consumers

## OPEN (*Clementine*) Platform





# CLEMENTINE PLATFORM



## Connect Consumers to Hearing Products & Services

Features  
hearing aids  
and  
hearables

Connects  
OTC  
hearable  
customers  
to  
audiologists

Digital services  
(via web,  
KIOSKS & app)

Advice to  
consumers in  
every stage of  
hearing loss

Automates  
(digital)  
services and  
patient  
interaction



Connecting Consumers & Professionals

to

Hearing Products & Services

Needs additional "Sign On" from Mfgs of Hearing Aids & Hearables

Needs Pressure from ADA type orgs to Standardize





# Enter the Dragon(s)





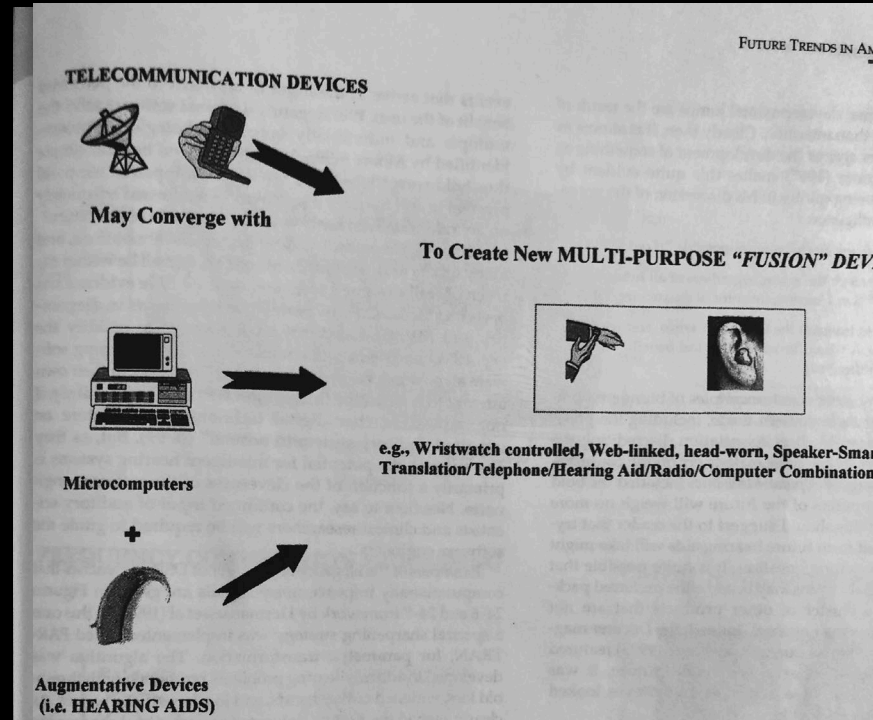
# Enter the Qualcomm Dragon

Intelligent mobility starts here.

Inside every gorgeous mobile device lies the heart of a dragon. Qualcomm® Snapdragon™ Mobile Platforms, processors, modems and chipsets are as smart as they are powerful, with new architectures for AI and immersion. The Snapdragon Mobile Platform is designed to be your ultimate personal assistant, deliver cinema-grade videos and help protect your most precious data. All with extended battery life, so you can keep up with what's important.

SOC

# Probing the Chaos



**Figure 24-5** As technical advances enable more computation in smaller packages, a convergence of various personal communication devices may result in new "fusion" products that look strikingly like hearing aids. When needed, they could, in fact, be hearing aids but also serve as telephones, voice mail links, language translators, and more. Control for such devices could be accomplished by wristwatch systems.

Dietrich, 1998) will continue to make an impact on and reshape interpersonal life as communication tools become ever more pervasive.

Such a convergence of personal communication hardware may seem to be a peculiar blending of medical devices (hearing aids) with general purpose consumer products. From the standpoint of the consumer, hearing aids have always been communication devices, government labeling and regulation notwithstanding. It could be argued that hearing aids are essentially nothing more than short-range telecommunication devices with customized sound shaping. Once appropriate medical diagnostics are accomplished, the fitting process

PAN devices could include hearing aids. A user's credit card might be kept in the pocket or on a wristwatch to communicate either to another device or to sensors. The applications under study at IBM laboratories include the transfer of personal financial data exchanges through simple handshake communication. Electric shoe inserts could be used to generate the amount of power required for such systems. Concerns related to data transmission rates may prevent the transfer of PAN technology, as presently conceived, to computationally sophisticated hearing aids. But it is not sighted to assume no other enabling breakthroughs.

# A whole new kind of Fire

What will your



Strategy Be?

a segment of consumers who will prefer  
**Boutique Relational Servicing Retail**  
with Professional Guidance

versus **OTC**  
aka **OTS (Off the Shelf)**

# Running from the Fire



*Some Disruptions* have worked out rather favorably....

- Electricity, Automobiles, Telecom, WiFi ...
- Hmm, digital hearing aids, NOAH, OMS, & Connectivity ...
- End of Ethical Prohibitions & Laws that constrained *audiologists* from 'selling' hearing aids in the 1970s  
Chinese parable of the horse ...





... the seeds of both good and bad in every change

Question:

Can you  
'Out Fox'  
the  
Hounds?



Practice  
Owners  
*Live by their  
Wits*

Note the  
Superior  
Ears!

# Regardless of the Technological Disruptions (and they will never cease) ....



**High Tech** still  
Begs for  
**High Touch**



**Inter-Personal Exchange Remains Primary**



# After the Fire ... the Soil is sometimes *more Fertile for Creative Expansion*



Oh, and there's another meaning to "Fire" –  
**Vigorous Determination**

Maybe we should

**Turn Fear into our own Fire ...**

... The **productive** kind of Fire.



# My Strategic Reaction to BOSE, NuHeara *et al* in OTC?



Attitude IS a  
Strategy!

Happy  
Dance  
Time!

New Leads generated and paid for by big  
Consumer Electronic & new Innovations companies

*Remember the 'Bad  
Hair Cuts' story*



**\$5 Haircuts !**  
**Sooper Salons USA**  
888-667-9003



**We Fix \$5 Haircuts!**  
**Bill, the local Barber**  
363-692-4545



**After the Dark Ages, following the Sack of Rome...  
...*Came The Renaissance***





# Survival and Prospering of Local Shops will Depend on the Shop Keepers!

Choices, Attitude, Activities, Love for the Calling,  
and Genuine Care for the Customer & of course -  
Customer Experience

# A Little Story About a Big Little Book Store



Burned to ashes by Amazon?



Nah, Slaying the dragon  
every day!

# Survival and Prospering will Depend on the Shop Keeper!

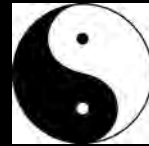
And

Alliances, like the ADA and the CTA  
pressing for Standardization on behalf  
of the Public



# Advice Given to my Practice's Successors

The Crucial Yin/Yang of Success In Business



Harvard Business Review classic sales Success  
*Ego Drive & Empathy* – Need a Crucial Balance

- Validated in Hearing clinics\* via MSM project study

\*Hearing Review- Schweitzer 1996



Audiology Today

Nov/Dec 2018

Curtis Alcock

# Audiology Needs a Paradigm Shift

Moving From a  
"Condition-Based" Paradigm  
to a "Resource-Based" Paradigm

# Summary of Strategy Suggestions

- Participate in, and rally around, Platform Standardization, (e.g. *Clementine*) that exploits Connectivity in New OTC ways
- Prepare for 5G
  - [Mobile Power on steroids. What impact to practice?]
- Capture PSAP, OTC, Kiosk consumers for expanded market access. Resist, Embrace, or Ignore? [Embrace & Expand!]
- Fix the Bad Hair Cuts! *Boutique Services* to justify Price
- Shift the Paradigm - or the landscape will shift and leave us behind.

# Summary of Strategy Suggestions

Strategic **Attitudes**- Yes, Attitude *is* a Strategy

- Be open to Change; it will happen again & again
- Don't rush to judgement (Chinese parable)
- **Turn Fear** into (productive) **Fire** (Victim into Victory, Trial to Triumph)
- *Out Fox the Hounds*, You are smarter than those guys
- Check the Balance of your Yin/Yang - It matters



# *SMOKE AND FIRE ON THE BORDERS*

More Survival Strategies for the OTC  
Disruption and Introduction to the  
Clementine Platform

Christopher Schweitzer, Ph.D.