Information Technology

Manjula Sriram, Vice President of Information Technology

I guess so. Can everybody just stand up and maybe want to stretch once and then sit down? Because IT's always wanting you guys to focus.

Thank you, everyone. My name is Manjula Sriram. I'm the VP of Technology as you've been seeing me run around back and forth every time Peter raises his hand.

But I live and breathe technology. My background is Computer Science and Electrical Engineering, 20 plus – 23 years, to be exact, of technology background. Started out totally by fluke on the field of medical. I was ready to go to med school, but totally changed direction because of a lab PA and loving it since then. I have a Masters in Business Administration, again, Technology Information Systems, very focused on technology, and that's the field that I live and breathe. I go home, and I go write code, even today. My work experience from the perspective, more recently, anybody who is in the finance industry has heard of Early Warning and their Zelle product, I helped launch that and get 19 banks on board with that; United Airlines, worked on their optimization model; Walgreens, working on their Medicare Part D and working through those implementations; U.S. Food, working on setting up their data warehousing and again their revenue optimization model. And Vail from a telco infrastructure perspective, with clients like Microsoft, Allstate and State Farm. So a lot of technology background. 15 months ago, when I looked at this position, it was extremely exciting for multiple reasons.

This organization is on a trajectory, it's a 45 degree angled trajectory going straight up, which, as you know, for somebody who's into math and computer science, is phenomenal for me, right? I want to be on that track, to be going up. So I'm here and not look back and loving every day of it.

So I want to kind of talk about a little bit from the vision strategy where we are going and kind of as an eye opener, want to run a couple of factual pieces of information for you. It takes a blink of an eye to realize that the technology has outrun us. An example as of this morning is, if you look at all – some of the laptops, none of us have HDMI cables. So we're carrying this dongle around trying to hook up, and then there's another computer that Lancelot who's sitting in the reception area shows that has mini HDMI. So we don't even have a dongle for that. So technology is changing. Technology is ever-changing, and you look away for a minute, it changes.

The other aspect, 6,000 viruses are being introduced every month. And we – whether it's finance industry, healthcare industry, any industry you take it, we need to protect us, our organization and our data from it. And then 51% of the Internet traffic is nonhuman, 49% is real people, obviously, or a variation thereof, 31% of the traffic that comes on the Internet is with a malicious intent, 19% are spies, 5% is automated hacking and 5% from spammers and the scrapers and spammers are the 2%. So if you look at what we are seeing in the industry outside, technology is advancing, a lot of malware attacks, a lot of virus attacks, spyware attacks, a lot of that happening. So the real traffic is much smaller. So we need to make sure we are protecting our data with the large majority.

But then I kind of want to go over the team that we have, the vision on why we moved from build to buy, you've heard Peter talked about that little bit, the focus we've had in 2019 – 2018 and 2019, the near-term road map and then the technology vision, where are we going from here.

So it's a very small organic team that I have that focus on support, development and security. And we want it that way because you want us to build systems and processes in such fashion that we can keep our teams smaller to be able to scale our business much faster and quicker. The smaller the team and the organic growth that we focus on, the more money goes to the bottom line in a lights out environment. So Peter has said this in many of his calls. We have currently today a homegrown proprietary system for anybody who understands technology. It's written in .NET Framework, which is almost nonexistent today.

We host a lot of data in our database and to be able to make sure that it is refined and normalized sometimes can have challenges. So the vision is, right, let's come up with a technology that helps us grow, that helps us scale. So as you heard, I said 6,000 virus attacks each month happen in any industry you take. I need to make sure that The Joint, from a technology perspective, is prepared to handle any of such attacks and its protecting our patient data, and that's truly what our focus is.

So we basically focused on partnering with a world-class system, and we chose SugarCRM for their on-prem as well as cloud-based system support, which is why we partnered with them. They are SOC 2 compliant, which is why it was a big thing for us as well as European certified. So if we ever choose to go to the Europe, we are covered there from the certification perspective. And we are progressing towards the HIPAA compliance, going into a private-hosted cloud network and stuff. Those are steps that we're taking towards that. While we are not required to be, we are taking a step towards that. So we changed our strategy completely, 15 months ago when I came, we were on 75 miles an hour in 55 miles speed zone going towards a build – buy strategy – build strategy. And when I came on board, the question that I ask myself is do I want to be in an organization that we want to continue to write proprietary software to continue and work through and make sure that I have the right talents available to me every time or go towards a build strategy and our board members with our board members' support, obviously, with the management support from Peter and the rest of my peers, we were able to make the decision to go to buy.

So I want to kind of talk about SugarCRM as well as the legacy systems. Again, there's a lot of things that we're already doing in our current environment, but I'm talking from a vision perspective here. So the legacy system, if you looked at the older CRM systems or older technology-driven systems in any organization, they were transactional, one transaction at a time, not aggregated to a larger level to be able to see some of the data that we have. They're siloed, right? You've got your – if you look at the manufacturing load, you've got your shipping on one hand that's siloed. You've got your inventory on the other hand that was siloed. But now everybody wants to bring in all together.

New sales, service is cost and data-centric. Now let's fast forward five, ten years now and we are in a recurring kind of system, right? A patient is – from start to finish, it's a patient journey. It's not about a single transaction of a patient. But it's how is the patient progressing through the system from the lead all the way to be able to get them into our system and being able to use our services. It's seamless. You cannot have a siloed environment, right? I need to be able to what is my inventory, who are my patients, how am I treating them, who are my franchisees, who are – so I need to be able to get a full

view of the system as is, be able to continue to convert my patients, continue to sell them additional services that we offer. And then services marketing, right? How – to me, referrals are the best way of doing this, right? If a patient refers The Joint to a second patient and brings in five other patients, that's what we're doing through the seamless, modern CRM system.

And then it's relationship-centered. We want to build a relationship with the patient. We have so much data as we're going towards this new environment to be able to understand the patient from start to finish, be able to market to them, be able to service them and make them feel better, as Jason said earlier, deliver better yield. So the Sugar and Joint relationship, right? Sugar integrates seamlessly with systems to provide enhanced insight into your patients. It is a CRM platform focused on that, right? And I say that because I should be – I can take that, configure that system, be able to deploy it with some customization and then go and bring in industry-level class systems for – whether it's marketing, whether it's point of sale, and be able to integrate. And you're going to see that a little further down.

It's modern and intuitive. While it takes some time to understand the interface, it is still modern and intuitive. There are several ways of doing the same thing, and as you become a power user of the system, you start to see the returns on that. And then it drives enhanced productivity and gives us an opportunity to view how are we performing and get additional metrics on additional data. So we're going to switch gears. I talked about all the facts that we have in today's technology, our policies and procedures in terms of how we went from build to buy.

We're going to focus a little bit in terms of what we have done so far and what we're doing in the near future. As I said earlier, Atlas was a homegrown system and it's still being utilized as a homegrown system. So my initial focus when I came on board, we have several outages and system impact, while it did not have impact any of the revenues or any of that, we still have some of those. It's to gain that stability to make sure that we have a system that performs in every franchise clinic that we have and continue to service our patients and our wellness coordinators.

We're in the process of completing the EMV implementation from a PCI perspective. It gives us better insight in the PCI certification from the perspective of not hosting of not hosting any of the data, being able to tokenize data, et cetera. So we're in the process of rolling that out as we speak. We also upgraded our franchise communication platform, bringing in additional sales services that we're working towards implementation right now. We've upgraded our e-mail system to an enterprise e-mail system, improve e-mail retention, spam and phishing e-mail, reduce that and obviously encrypted e-mail as we progress towards the HIPAA compliance aspect. I want to focus the majority of my time in the rest – on this slide on Axis 1.0. We're extremely proud this is what are going to be rolling out. We're still targeting winter of 2019. So that's still moving along, on track. The first and the foremost piece that we're going to be able to give to our patients is digital on-boarding. That is one of the key pieces.

Today, the patients come into the clinic. They fill out paper forms. And we take that data. We scan it in. The doctor takes notes. And then we scan that document again. Now from the comfort of their home, the patient can fill that information. They can either fill it at home or come into the clinic and fill it on a tablet. That data is immediately available to the doctor to be able to take action on, be able to take notes on. You don't have the scanning or printing of documents. That not only saves time but it also gives invaluable insights into patients being able to continue to market that – to that patient the type of

treatment we want to give them. Those are all tied together as we continue to build this system. And I'll talk about this.

We're just scratching the surface because as we're collecting this data, we're going to be able to provide additional features and functionalities to build on. Patient Portal. The patients are going to be able to see their own data. Patients are going to be able to update their credit card information. Patients are going to be able to pay the balance at view. So those are some of the key pieces that we're introducing with that. Being able to actually mobile check-in, being able to check and to see, hey, I'm near a clinic, clinic, what's the wait time, let me go check in and go see the doctor, potentially see the doctor who's on call at that time or working in the clinic at that time.

Automated policies and pricing enforcement. So that's one of the key features we're giving you. We're giving additional policies of – I think Jorge mentioned about anti-poaching. So we are bringing those kind of features in an automated fashion. Exception reporting. Quick mobile access to information. So how many visits do I have? When was my last visit? Those are some of the pieces I'm going to be able to see on the mobile.

Credit card process. Again, as we talked through linking all the thought processes in the system itself, being able to charge my balance to you. I want to talk about automated soap note. Soap is called subjective, objective, analysis and plan or – it's how you call it. And Dr. Steve, I think, has a different word for A, but I call it analysis. It's being able to automate some of that information, being able to give referrals. Today, in our current system applets, we don't have a view into why the patient left our systems. If we're giving them a referral to go see another doctor to go get some x-rays done, we're able to track that information and take action on that. That's a huge benefit to see why somebody is leaving. And obviously, PCI compliance, that is one of the most critical pieces. We're going to [indiscernible] that one.

From a near-term road map perspective, I call it 2020 and beyond, but it's very near term. It's being able to do some digital bluebook. We currently have a hard copy of it. They write daily metrics, et cetera. We want to digitize that. We want to integrate the learning management system to actually again build a cohesive system. Automate clinic health reports. Patient experience survey and assessment, being able to automate some of those rather than have to build them outside of the system and keep systematic view into that.

We are working in – Jason mentioned that about, the automated CRM, again, bringing in a world-class system to be able to automate our marketing campaign and being able to build a patient journey. Integrated POS system to get better insights of what sale got a patient got back into the clinic. And then BI tool, being able to do a data warehouse and be able to give actionable reports that clinics can take action on, operations team can take action on and we as an entire corporate system can take action on.

So I want to talk about where we're heading. So I talked about Axis, which is what we're very proud of. That's our focus. We want to make sure we lift our current system and shift it into this new, world-class platform, SugarCRM-based system, gives us the – take the flexibility and [indiscernible] that we got. If you think about if I had to have a developer write security protocols, that would take me six months. I didn't have to do that because I have an extension R&D team of the SugarCRM time of it who actually built that platform. I just have to configure it for what I need for it to do.

So Axis is the focus. We want to get Axis implemented, as I stated. We are on track towards the end of the year as planned. Once we get Axis done, we're looking at marketing automation, whether it's the existing platform integrated together at a single sign-on or being able to look at a futuristic product set that we want to integrate with.

Looking at the point-of-sale system, being able to see what additional features can I bring, being able to get business intelligence, patient feedback and the financial system, build a cohesive ecosystem. Now you are looking at being able to view an entire system, being able to view an entire set of data that's available to everyone to be able to take action, to be able to give a patient a better experience that ends up being in our bottom line.

So better systems, better data, better insights, improved patient experience, increase in profit. That's pretty much my presentation. From a key takeaways perspective, aligning with an industry standard world-class CRM platform prepares The Joint for its ongoing growth. We are on a growth phase. We are in trajectory. This is what helps us get there – or continues to help us get there. We have minimized the risk of stagnation by choosing to buy. Build is always – sometimes, if you're not an IT organization with 30 to 40 developers on staff, there is always a risk. You're going to lose everybody, right, that's on team. What am I going to do? How am I going to support the system?

So always buying a system that can be configured helps us minimize that stagnation risk. Technology is ever-changing. I started thinking, at a blink of an eye, by the time I blink five times, it changed five times. And we are in a continuous innovative environment. We want to innovate. We want to provide our operations team, our marketing team, our sales team opportunities to bring in more revenue, and the only way we can do that is giving them that technology automation that we can provide.

We want to provide optimal care for our patients. Those are some of the key takeaways. Anything you want to take away from this presentation is that that we are continuously improving what we are building.

So questions?

<Q>: What do you think the biggest concern or hurdle is around the switch over to the data conversion side or getting franchisees to buy it and use it? What do you think it is?

<A – Manjula Sriram>: I think – I'm going to answer your question in two ways, right? The first one is the data. Obviously, we – like I said, as we have so much data already in our system, taking that, making sure it converts accurately and represents what the legacy system have is the key risk and to ensure that we are providing that accurate information to the patient. And as we put the system into the hands of the patient, that becomes even more elevated because now the patients can see their data. That is the key risk. The other risk as well, the franchisees don't have an option, right, because this is the system of record. This is what we're going to do. Our existing system will get retired. The day we cut over, it's going to go into a read-only. And after a certain time, we're going to retire that. So they don't have an option of not accepting the system, but obviously, there is that risk always there to say – we're going to hear, hey, this doesn't work as we want it to work. Just that field view of things, change is always not well received. So it's that transition time, that is a secondary risk as well.

<Q>: I guess just following up on that, so there is training or something to sort of mitigate any sort of disruption that they're required to be part of?

<A – Manjula Sriram>: Thank you for asking that question. We have built in about 3.5 months of training. Our operations team is extremely focused. We have partnered with them. They're building a very robust training system for them through webinars, through e-learning tools. And then we've got additional four – 8 to 12 – I think it's about 12 weeks of time that our team – clinic staff can go through and run through the training. And we want to make sure we are going to use – we're also working with our field staff like our RDs and our FCCs that George mentioned about to make sure that, that word is getting through to all the franchisees so they're able to register and enroll in all the training classes.

<Q>: And then just one more if I could. Could you provide any sort of examples of a new marketing technique that can about post-implementation? Because you guys have so much data to work with. Is there something new that comes from the system?

<A – Manjula Sriram>: Yes. I think today, a lot of the marketing that happens is very manual, right? The marketing team comes to us and says, can you provide us this type of data? And then when we give them this data, then they take an action to be able to build whatever campaigns they want to build. That goes away, becomes more automated, right? It gets into the hands of our marketing team. The secondary aspect, and I'm going to speak and I'm going to make sure Jason validates that because he is the marketing subject matter expert. It's simple things like I want to market to all the college-going teens, right? Maybe I'm opening up a new clinic where there is a whole slew of universities that there are and they were part of a younger crowd who came once or twice, being able to capture that information more readily. Maybe I want to capture moving workers, right? Those are some of the pieces that additional data gives us. And now we're going to be able to capture how many of these patients are new to chiropractic, and that's going to provide them the opportunity to be able to market to them as well. I don't know, Jason, was that…

<A – Jason Greenwood>: We have so many campaigns. Certainly, I discussed in my presentation, our summer sale, and that is a very manual campaign. We have to – we go to IT. We – they pull the query, we load it in our system and it runs. But those win back campaigns should be happening constantly. It's just one example. We have two tracks right now. One is the pain track and one is the wellness track. When I say track, it's a content track with people. But people come to us for neck pain, back pain, migraine. You can think of how rich those tracks would be and it would all be automatic. It would be happening. So people would be getting content that is most relevant to them and customized to them. Those are just two examples off the top of my head, but there are dozens more.

<A – Manjula Sriram>: And futuristic. This is not – again, we're just scratching the surface with our initial release. But from the futuristic perspective, I have – if the compliance and medical compliance allows for us to do being able to send them videos related to their pain issues, right, being able to say, hey, here are some of the exercises they can do at home, when you come back, that will make you feel better kind of a thing. Again those are all things that we have to look at, and they're all dependent on compliance and certification. But those are some of the data that's readily going to be available to us.

<Q>: Are the franchisees bearing the cost of Axis?

<A – Manjula Sriram>: There are some of it that the franchisees are helping from the perspective. From a – it's basically they have a subscription-based technology fee that we charge them. So that's how we are helping them. It is going up by $149 each month for the franchisees just because of all the capital costs, et cetera, that we're putting in to make sure that the technology is up.

<Q>: After Axis launches, what are the key metrics or KPIs you're looking for internally to judge the system is having the return and effectiveness that you expect?

<A – Manjula Sriram>: I think the first and the foremost KPI to look at is the uptime, right? We are targeted to be – five 9s is where we want to be, 99.999. And right now, we're hovering about 99.998, roughly. It's not a significant difference, but there is a lot of the slowness, et cetera, that we work through being able to capture some of the pieces. The other metrics that we would look at, being able to capture revenue numbers better, right? We do a very good job right now but more automated fashion as we link it to our financial systems, et cetera. So those are the other key metrics we're looking at as well. Obviously, uptime, number of support cases we get. We want to – we expect to see an increase immediately after the rollout, but as we achieve steady state, we want to see a decrease, at least by 10% to 20% of the tickets. So that's one of the key pieces we're looking at as well.