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**Project Goal:** Why Talk to KOLs? (And How to Prepare When You Do) A Conversation with The Members of Mythos Biotechnology Student Investment Fund at Stanford University on KOL Best Practices.

**Project Date:** 5/19/2019

**Project Time:** 6:00 pm ET

**Interview Goal:**

This call will discuss best practices in conducting KOL calls. Key points will include:

- When is the appropriate time to speak with a KOL?
- What types of topics can KOLs help with? Are they less useful for?
- How and why do KOLs speak on networks?
- What preparation should I plan to do before the call happens?

This call is free to join, so please add your questions for the discussion.

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**Call Leader:** Hi, Joe.

**Joe McCann:** Hi, Vandon, How are you? Good afternoon.

**Call Leader:** I'm good. Thanks for coming onto the call.

**Joe McCann:** Yeah, no. I'm glad we could redo this and hopefully get a good transcript together for everybody to review in your group and in our community as well.

**Call Leader:** Yeah. Is it recording right now?

**Joe McCann:** Yeah, no. This is actually on our actual system. We had trouble the first time with the conference bridge, so this will just be like every other expert call that we do and get a nice transcript for everybody.

**Call Leader:** Okay.

**Joe McCann:** Hopefully by Monday.

**Call Leader:** Okay, cool. So yeah. I'm Vandon. I'm the broker of the Mythos Biotechnology Fund, and today I'll be asking Joe some questions about hosting KOL calls. Maybe just start off with, Joe, could you tell us about what you do at Slingshot?

**Joe McCann:** Yeah, sure. So Slingshot in fact is a company that is trying to bring the power and the tool of expert interviews to as many people as possible. So what we've done is create a web platform where people can group up together and collaborate on questions, and also share in the cost of a subject matter expert's time.

And usually it looks like a phone interview between 30 and 45 minutes, up to an hour. The Slingshot members who care about a particular topic will collaborate on the questions, and we can talk about that, how they do that maybe a little bit later.

**Call Leader:** Mm-hmm (affirmative)-

**Joe McCann:** But they'll collaborate the questions and they'll coordinate on the payment or the funding of it, and interview an expert on something for that amount of time. Right now we're 100 percent healthcare.

So everybody who is interested in calls, all the topics that we're discussing are usually life science or healthcare based topics and they range from new medicines to scientific principles and basic research tech topics and payment for drugs and all those types of things.

But really what the conversations are getting at is that real world perspective of an expert and kind of hearing what he or she has to say about a topic.

**Call Leader:** Okay.

**Joe McCann:** So that's what we do over here at Slingshot Insights.

**Call Leader:** Yeah, yeah. Maybe could we start off with asking what is the KOL and why do you think it used to, useful to be in contact with the KOL?

**Joe McCann:** Yeah. One of the things, I was mentioning experts that we speak to. Not every expert to KOL. KOL is an acronym that stands for Key Opinion Leader. Key Opinion Leaders are really the thought leaders of their space, where other positions or other people who are participating in that area look to them for guidance and what to do.

And these are people who, these KOL's are people who are very involved in emerging technologies, thinking about what works best, big data, analysis on outcomes. And they're really the forefront of their field.

Usually they're well published at a very prestigious hospital or teaching institution, and they're the people who are setting paradigms in how things are done. That's a very useful person to talk to when you're trying to figure out where medicine is headed.

The other side that we actually speak to as well, which we wouldn't call KOL, is what we call them, specialists or highly educated subject matter expert, are people who are really putting rubber to the road and are seeing a high volume of patients that are actually administering whatever the KOL's are recommending or whatever pharma companies are working on.

And so there's a whole another very important group of people that we just consider experts. So the term KOL is used a lot, but they're not exclusively who you want to speak to.

**Call Leader:** I see.

**Joe McCann:** But the KOL's are certainly thought leaders who are kind of setting the pace.

**Call Leader:** Gotcha. When do you think is a good time to contact a KOL or one of those specialized experts you were talking about?

**Joe McCann:** Well I think there's probably countless, maybe countless, it's too many, but many different situations where you'd ask. But the characteristics of them are, really when the literature or what you've read has only gotten you so far. So I think a great example would be a new drug launch or when you hear a management's plan on how they plan to market a drug or what they view as a competitive advantage.

We want to have a little bit of color, a little bit of real world perspective to, whether it's data or a pitch, quote unquote, like a management pitch. That's a great time to engage a KOL. I think a lot of times people really want maybe just the answer, is this stock gonna work or not? I think KOL's can't be helpful.

**Call Leader:** Right.

**Joe McCann:** They can give you the considerations, but that's not necessarily what they're best at. They're best at expanding the landscape, expanding the history. I mean I've been on calls where in 10 minutes you understand all of a sudden the entire history of the mechanism in a way that it would be very arduous to do on your own.

So I think they're great at synthesizing big sets of data because they spent years in the space and they're really good at explaining to you in an actual patient format what matters and what's really gonna go on.

But there's a lot of different situations, and it's really when you can't get it from the literature or it seems like it would be very time consuming, that they can come in and really make a difference.

**Call Leader:** I see. What kind of questions would you want to ask during one of these KOL calls? And also conversely, what kind of questions do you want to avoid asking?

**Joe McCann:** Yeah. I think the biggest one, or maybe the paradigm that might be helpful for your club and other people to think about, I think I may have mentioned this before, is KOL events or KOL calls are a lot like being in grad school or in high level college classes.

Where you go in and you say, "Well you know, I did all the readings, I prepared, I read the assigned materials. Now we're gonna go in on Friday afternoon and we're gonna do this three hour discussion." That might be with a teaching assistant and 12 of your peers. And I remember those in college. And if you show up and you haven't read the work, you're not gonna be able to contribute.

: I think the same amount of effort is usually best for these types of calls. You know, read the publications, look at what the company is arguing, maybe look at some of the competitor's stuff. Maybe even look at, you know, if you have access to Wall Street Notes or Seeking Alpha Arguments, do all that work. And come up with the areas of debate that you don't know the answer to or you think you have the answer to, but are more of an assumption or more your opinion.

And then you go to the KOL and fact check it, right? Because he or she has spent a very long time in that space. You say, "Well you know, I think actually, XYZ is really relevant. Do you agree? Or what am I missing here?" And sometimes the KOL will say, "Oh no, that's totally what I'm thinking. You're very astute." And other times they'll say, "Well you missed something very important. Z really matters there."

So those are the kind of ways you want to prepare. In terms of questions in a more specific way, I would say you want it to be more around what the expert knows. And I know that sounds obvious, but you want to ask the questions focused on science, the drug, consideration of their practice, things like that.

Not, "Hey is this gonna work? Just let me know." And not drill in. You know, "Hey this stock I'm buying..." You never really want to get into things that company management teams would know much more. That's not really where you want to get to.

**Call Leader:** Right.

**Joe McCann:** You really want to think about what the expert knows and what they can decide for you and be a good arbiter on.

**Call Leader:** Right. So come prepared and have really specific questions.

- Joe McCann:** Yeah. And our best call leaders, get compliments from the experts. They'll, the expert, after the call will say, "I really enjoyed this. I learned something. I got something too." You know, when you get that the first time as the call leader, you feel really proud to get it.
- Call Leader:** Yeah.
- Joe McCann:** You're like, "Wow. Okay. I'm on the right track here." So that's kind of a goal to have in mind.
- Call Leader:** Yeah. Wow, that's really cool.
- Joe McCann:** And I don't mean that in trying to take over the conversation and state to the expert, like, "Well here's this and here's that." And not let them get a word in edgewise. But I mean-
- Call Leader:** Right.
- Joe McCann:** But if you've done your homework, you can have thoughtful questions and you can elicit that response without dominating. You really want to be hearing the person.
- Call Leader:** Yeah. That makes sense. Can I ask? Like how do you know, how do you tell if a KOL knows what they're talking about or if they're just giving some like generic response or answer?
- Joe McCann:** Yeah. I think, I don't run into not knowing what they talk about. I think part of that is probably the network you use and them selecting experts who are qualified, and I think that can look like a lot of different things.
- And we can talk maybe a little bit about how we do that at Slingshot. But yeah, I think that they usually know. I think what you run into more often is kind of a wishy washy answer.
- Call Leader:** Yeah.
- Joe McCann:** For lack of a better term. They'll just be saying, "Well this will be great. Oh, this? Oh, yeah, no. Like trials. That's why you do it." You can tell when they're not equivocating, but they're not making a stand.

You know, that's not always avoidable. It happens from time to time, and then again, those situations, you get what you can from it. They're usually opportunities to do a second or third call.

But I think also sometimes you go on and take into account why they're being wishy washy, right? There's a certain type of ego that gets drawn to these types of calls. When I say ego, you know, "Oh, I'm gonna tell you how it is." And they might not be right all the time.

So if they're being wishy washy, make sure that that's really like a personality thing or a preparer thing and not them actually telling you we don't know something.

**Call Leader:** Oh, I see.

**Joe McCann:** A lot of times, people who really gravitate to us to certainty, even if it's not justified. And so sometimes these guys are equivocating because it's an area where we just don't know.

I did a call this afternoon on hemophilia, and there's gonna be three year data for BioMarin, on the hemophilia drug. And we just don't know what it's gonna look like, right? The activity of the drug has been decreasing at the two year mark and maybe it will at the three year, maybe it won't. I don't know.

And so for a physician coming in and saying, "Oh, you know, I'm positive XYZ, blah, blah, blah." That's not always necessarily a good thing. It can give you a false confidence. And there's a difference between wishy washy and communicating uncertainty, and that something to be really thoughtful about.

**Call Leader:** Great. How do you at Slingshot source KOL's?

**Joe McCann:** Yeah. So one of the reasons we like being in healthcare so much is how well validated the experts are. And when we think about going into other areas of research, other topics and industries, it gets a little, not daunting, but it gets a little bit more complicated to think about what is an expert and is an expert an expert, and who should we be speaking to?

But in healthcare it's not really like that. There are very, what I would consider empiric and hard attributes for an expert. The simplest one probably is the number of patients and the number of years. There's also soft ones, like prestige at the university that they work at. There's also a lot you can look at in terms of publications and volume.

**Call Leader:** Right.

**Joe McCann:** You know, if you're going to look for a KOL and they're not published at all, that's probably not a KOL.

**Call Leader:** Yeah.

**Joe McCann:** You'd also be screening for conflicts and things like that. So if they're not involved with any company and they're not published, well who is really listening to them? Or how would people hear what they have to say?

So one of the really nice things about healthcare is that you can see who is presenting at conferences, you can see who is being spoken to by industry, you can see who is publishing and you can see who has the prestigious professorships and things like that. So that's all really great.

But you don't need to rely on that also, right? You can also just say simply, "How many patients with XYZ disease do you have?" And if they're answering honestly, you can really say, "Oh wow, 20 patients with a super rare disease. You must be being sought out." Things like that. So that's one of the great things about healthcare.

And we work with clients on specific criteria that they're looking for. So we'll do custom screening on the request of our clients and say, "Do you want to be familiar with this publication? Do you want them to be at that conference? Do you want this number of patients?" And all those things can go into selecting the experts. And we'll work with the person asking the questions on synthesizing that and picking.

**Call Leader:** Okay. What kind of information do you think you can get out of KOL that you wouldn't be able to get from just reading scientific publications or maybe a review article?

- Joe McCann:** Yeah. I think the biggest thing I would say is really clinical relevance. Companies in particular will make a big deal out of side effects or efficacy, duration, or administration. There's all these little things that may be in the literature, particularly if you have the goal of making it look important can be achieved. You can power a study to show almost anything if there's actually a difference, but that doesn't mean it matters.
- I think a lot of times, there's much more, I don't want to say information, but there's much more to the story that's out there, right? There's failed alternative molecules in the same mechanism, there's long history, there's all sorts of things that if you're not well versed in the deal or the research, you might not know.
- And you can't, I mean I personally think that management teams probably get a bad rap in society of the pharmaceutical company as they're doing amazing things and working very hard. But they're also very obviously for the home team.
- And so going out to an expert and finding out that kind of history and real world friction and what actually are patients coming in, sitting in front of them complaining about? You know, like for example, the hemophilia call we did earlier.
- This new drug with much longer duration. And she was explaining to me how surprised she was that more patients didn't want it. But she said this, that they've been doing it for a very long time. They do it in the morning. It's quick. It's what they know. Why change?
- And so that kind of thing is never gonna come out in a company management presentation. It's never gonna come out in a peer review journal. It is gonna come out in a two minute question to an expert who is seeing 100 of these patients a month.
- Call Leader:** Yeah. That's a really good point.
- Joe McCann:** Those are the kind of people you really ask them to.
- Call Leader:** Yeah. To follow up on that, how do you reconcile different opinions from different KOL's?

**Joe McCann:** Well there's kind of two ways. One is more of a heuristic and we're apt to saying, "This makes sense to me. This is my hunch and you're confirming it." And this one guy who sounds like he's towing the company line and the other KOL sounds like she's giving it to me the way I feel like it is.

And sometimes people will say to you, "You might talk to 10 of my colleagues and they won't admit this, but here's what's really going on." And those kind of moments can be really useful.

I think the other way is just multiple opinions, and finding consensus is a seeking activity. And so you're asking around and you're going back and challenging with what you learned from the prior call. And so if you get up to three, four or five calls, you can really maybe get some weight behind what you're doing.

And the last thing I would say is just years of experience. You can tell on the phone who is giving you the runaround, you know, back to one of your earlier questions, or if they're being wishy washy. But I don't buy it. It sounds like they're just touting back to you what the sales rep is saying or something like that.

So with years of experience, you can kind of come away with it. And sometimes it's just a little bit of a nuance or sometimes it's a throwaway comment. Or maybe it's a question that you hadn't thought of and they surprised you. All those little things can add up to kind of getting to the truth.

**Call Leader:** Yeah. I see. I wanted to follow up on a question that was asked last time. You had mentioned something about payers not being the best KOL's. Do you think you could remind us what you had said about that?

**Joe McCann:** Oh. Yes. Just the category of experts that our clients want to speak to because they feel like they're almost the Wizard of Oz behind the curtain. So they make all these decisions and we never really quite understand why they're made or we do, but we don't know when are they gonna give in or not.

I think one of the reasons that it's difficult to do KOL calls with payors is that the ones most plugged in usually work at a company that won't let you speak to them. There are a lot of restrictions that management teams or companies will put in place around their employees speaking on expert networks.

And so the ones that were really sitting in the room deciding on some new gene therapy or some new whatever, therapeutic idea, they're probably not getting on the phone with us.

So I think that's an area that we get a lot of requests on, and managers, particularly ones who haven't been in the industry that long will say, "This is just a payer question. I'll just ask the payer." A lot of times it's the ones who are plugged in don't know.

So what we end up going to is consultants who maybe are working for smaller biotech's and have left. You know, "Hey in 2016, I was working for a big firm, but I still know how the thought process is." But it's just a little bit less of a science.

"Yeah, I'm head of John Hopkins and I run this division and I see 500 patients and I make every decision for how our rotation people are being trained." That person is very close to it. The payer people are usually a little arm's length.

**Call Leader:** I see. Yeah, I guess, do you have any more advice on how to get the most out of any of these KOL calls? If let's say you could even get on a call with the payer or anyone else. How do you make the most of it?

**Joe McCann:** Yeah, I mean I think it goes back to a lot of things we've already discussed, right? Doing your homework, being a good listener. It's actually interesting. Now that I've had this company, I had done, and we didn't get into my background at all.

But I had done probably thousands of calls when I was at a hedge fund as an analyst and trying to get up to speed on these things. And we really had an unlimited budget, so if I had questions, I was going to be able to ask them until I was satisfied.

In that format, you don't get a lot of feedback. But in the format of our company, we record and we transcribe every single call. And so I've had the fortune, or the torture, of reading my own transcripts now for the last four years.

And one of the things I've realized, which is not indicative of this call because I'm so busy talking, but on these calls, you can look at how much you're speaking.

**Call Leader:** Yeah.

**Joe McCann:** And unless you're really trying to get someone up to speed, there isn't a great reason for dominating the conversation. It's funny when you read this in black and white, how you can see yourself leading the person.

You can see that you think you have an answer, especially if you've already done a call or two or if you have a position in a company. You go, "Wow, when I read this, I'm actually really trying to get them to say something." And that's a bad place to be because why are you paying the person, right?

If you feel like you already have the answer and you are trying to convince this person to tell it back to you, then you're doing a bad job. You're not gonna learn anything.

And so I think probably the biggest thing I've learned from reading, I don't know if it's hundreds, but certainly many expert calls that I've led myself is that that's probably the number one mistake people make. And they try and really impart their thesis or their view on the expert.

And I think a more innocuous version, maybe you're benign. You don't feel like you're doing it. "Hey, I'm not. I don't have an agenda here. I don't even know about it." The way that that can also manifest and have the same effect is when you're trying to prove that you know what you're talking about.

So I see a lot of people who are new at calls, and sometimes myself even when I feel like I'm not up to speed and I'm actually under-prepared or something like that. And so to compensate, I'll say too much. I'll try and like, "Oh well yeah, and the mechanism works this way and that way and blah, blah, blah, right?"

**Call Leader:** Right

**Joe McCann:** And the reason you're doing that almost is like a psychological thing where you're trying to prove that you know what you're talking about, especially in a format where you think someone else might be listening.

So like a club meeting for you guys. "Well everyone in the club is gonna read this transcript. I better prove how much I know about it." So there's a certain humility that's need to be displayed on these calls for you to say, "You know what? I don't know. Oh, you know what? I do know. But yeah, tell me again."

Because maybe the person explained it a little different and maybe you didn't know every single thing. So not thinking of these calls as a referendum on your own knowledge I think is probably secretly one of the biggest benefits.

**Call Leader:** Yeah.

**Joe McCann:** There's two little things there people do wrong. They talk their own book, and they try and prove how smart they are.

**Call Leader:** Yeah.

**Joe McCann:** And together they're not a good way to do that.

**Call Leader:** Do you think you could tell us like who are the people who run these calls at Slingshot besides yourself?

**Joe McCann:** Yeah. I mean I actually do fewer than 10 percent of them now. These people are a wide range of investors I would say. Some of them are professional hedge fund managers. Some of them are mutual fund people. Some of them are retired doctors who trade healthcare stocks. It's kind of a full spectrum of healthcare investing enthusiasts I would say that request and offer to lead them.

But the vast majority now are analysts and portfolio managers at professional funds. Mostly in the U.S., but some in Europe. And they want to get to the bottom of things. And speaking to experts, they really have a fundamental aspect of their diligence.

**Joe McCann:** They're not doing this once a year. They're doing it routinely and when they get up to speed on a name and they're trying to figure out how to model something, when they're trying to figure out what really the pitch is and where people are missing things, this is a central component.

**Call Leader:** Yeah. Hmm. I guess yeah. That's really great. I think, I'm trying to see if I have any other questions. Yeah, I think that's all of the questions I have so far-

**Joe McCann:** Okay.

- Call Leader:** Regarding KOL calls. Yeah.
- Joe McCann:** Yeah. Well the last thing I would say is that I'm excited to work with you guys. I think that initially we originally as a firm thought that MBA students and people like that would be very eager to use this service. But I think that healthcare can be intimidating-
- Call Leader:** Yeah.
- Joe McCann:** And I understand that as someone came from a finance background and kind of spent the last 12 years in healthcare learning. I think the power of these calls is that, we can't get everybody in the world, but many, many more people up to speed and able to make intelligent decisions in that space.
- Joe McCann:** So having a group like yours interested is pretty exciting for us. I know that you guys come at it from a scientific and medical perspective in a way that's really exciting for us. And so we're excited to see what kind of questions and calls you guys put together.
- Call Leader:** Yeah.
- Joe McCann:** You know, I say this all the time. I don't know if you know the movie Armageddon. But the movie Armageddon is, they teach a bunch of oil well drillers how to be astronauts. And that really never made any sense because it's a lot easier to teach an astronaut how to be an oil well digger.
- And so I feel that way a lot of the times about healthcare investing. People like you guys with your backgrounds and PhD's in medical school can probably learn how to build a DCF a lot easier than vice versa.
- Call Leader:** Yeah.
- Joe McCann:** So I'm looking forward to having you guys join the platform and glad you guys took an interest in investing in these companies.
- Call Leader:** Yeah. I think it would be really cool to run these calls. I'm sure you have plenty of like qualified investors running the calls already. But it would be a great learning opportunity for our partners.

**Joe McCann:** Yeah. And we can talk offline about that. But I'd love to get a program together for you guys and find a way to do that. So let's follow up.

**Call Leader:** Yeah.

**Joe McCann:** Maybe next week?

**Call Leader:** Yeah.

**Joe McCann:** I'm excited to see where this goes. I know it's a large group and it's impressive that you got all these people together

**Call Leader:** Yeah. All right. Great. Thank you so much. Thanks for your time today.  
[crosstalk]

**Joe McCann:** That's all right. [crosstalk] traveling.

**Call Leader:** Yeah.

**Joe McCann:** Take care. And thanks again for reaching out and doing this.

**Call Leader:** Yeah. Thanks. All right. Bye, Matt. Joe (mistake in the transcript)

**Joe McCann:** So long. Bye.

###

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