

How Branding and Marketing Were Key to This Life Science Startup's Valuation

This transcript was lightly edited for clarity.

Chris: Hello. Today I'm speaking with Eugene Cho. He's the founder and CEO of Echo Laboratories. Eugene, welcome to Life Science Marketing Radio.

Eugene: Hi, Chris. Pleasure to be here.

Chris: All right. This is going to be a good one. First, for the audience, tell me a little bit about Echo Labs and what you're trying to do there.

Eugene: Sure. So Echo Laboratories is a microscope company. A lot of us came from the sales industry. I personally worked for Nikon for over 10 years, and based on our assessment of the marketplace and where we saw a market opportunity, we've developed a new hybrid microscope. This is the world's first and only microscope that can easily convert between upright and inverted configurations for different applications, and we've also removed the eyepieces and replaced it with an iPad tablet to easily view, capture, and share images.

Chris: Nice. You were referred to me by Jeff Carmichael of Chroma Technologies. He's a friend of the show. He first pointed me to your wooden scope, which I found on your website and the YouTube video, and we'll talk a little bit about that in a little bit. I found your company interesting for a few reasons. We met at ASCB last December, and I realized there's a lot going on in terms of telling your story and the whole experience you're creating for your customers and prospects, which is most of what I want to talk about today. You're a small startup with an innovative, and I would say, a really well-differentiated product, but you still need to generate awareness and leads. Can you talk a little bit about how you went about that?

Eugene: Sure. Because of our background in sales, obviously the first thing we turn to is our Rolodex with our connections to kind of spread the awareness and check with early adopters. But in today's world, it's how do you get that out where you can get the opportunity? We really focused on the design aspect, and what I mean by that is we put a lot of emphasis on the industrial design of our product, but also in our media, from our website to our outgoing handouts, so on and so forth.

 I think that in the consumer industry, this is of top importance and priority, but sometimes in life science instruments and the industry in general, despite being well-funded, sometimes the emphasis on design and making things a little bit more forward or modern is kind of overlooked. With that regard, by emphasizing this and just by the nature of the product being so visual, it was able to stand out a little bit more and get noticed. For example, we would give handouts at trade shows and big publications such as Nature, they found out about us, saw this and they actually helped us out by sponsoring a few color page advertisements in their magazine, which we were absolutely thrilled with.

 Other aspects such as innovation contests, so pitch contests, because we were a startup, or even kind of innovative products. We've won a few awards for having the most innovative products, which weren't even industry-specific, but kind of really paying attention to the design [inaudible 00:03:33] so that you can present and also make your product and marketing material a little more appealing.

Chris: Yeah, your product has definitely an interesting design. I'll link to your website so people can get a look at it, but describe for people what's different about your microscope. I mean, you already described the iPad interface, which is fantastic, but give people a sense of what this thing really does.

Eugene: The microscope industry today is building some amazing products. However we're finding that the big four microscope manufacturers tend to emphasize most of their R&D onto the high-end imaging platforms. For example, these microscopes, keywords such as confocal microscopies, super resolution, high-speed live imaging, high-content, these are all microscope instruments that are highly sophisticated, and they can go in the price point of a quarter million all the way even to a million dollars.

 If you walk around at trade shows, this is kind of the latest and greatest, and this is what these companies do extremely well. It's a very capital-intensive area, but we saw that the core workhorse platform could use some improvement. They've had some incremental changes, but nothing that really leapfrogged or changed so much. We thought, and really focused, what can we do differently here?

 One of the problems is that microscopes, I mentioned earlier, exist in two separate configurations. The upright is typically used for looking at glass slides. And the inverted microscope ... so if you want to look at live samples or tissue, they're often in Petri dishes, or vessels filled with liquid media. And because of this, they must be imaged from the bottom, so the optics are coming from the bottom.

 This is the difference between upright and inverted microscopes, and they're really purchased based on application. We found that 71% of labs today actually own both. Despite sharing a lot of the similar optical components, we asked ourselves, how can we build one that can address both needs?

 The second problem that we targeted was kind of the usability of these microscopes. A lot of people like to say about how their products are easier to use, there's a lower learning curve. When we coupled this with an iPad device, we leveraged the retina display for the high-resolution display, the wireless capabilities, but really also the touch interface. Just simplifying the process.

 There are certain things on our microscopes. Part of it is having to trim certain capabilities, because there's a balance between offering every single capability in your software versus complexity. What we did is we focused on what was very important and tried to create something that was very simple, easy to use, and elegant.

Chris: What I really like there is that you really focused in on a specific need, and a pretty clear one for having the ability to go upright and inverted. For people who haven't seen this, I'm gonna link to the video, but a Revolve microscope does just what it says. You can actually flip the body of the scope so that you can view things from the top or the bottom. It's pretty seamless how it does that. So I like that.

 And I love this whole idea of design as a part of marketing. But also what I think you guys are doing really well that I want to share with everyone is the whole experience around how you market this. I came to ASCB and Jeff Huber, your sales director, gave me a demo of the scope, and then he left me with a packet that includes a kit to build the wooden scope, that uses an iPhone, so kind of parallel to your iPad in the Revolve to capture images through a small lens.

 Describe a little bit for us the experience you are engineering at your trade show booth and beyond, and how all that ties together.

Eugene: This is a little bit of trial and error. I think that how this first started is I, myself, along with a couple of guys on our team have worked at more trade shows than we'd actually even like to admit. And through that process sometimes you're giving out pens, t-shirts, USB thumb drives, all the common stuff that you'll find, that you realize that customers often aren't too excited about.

 We wanted to design a wooden DIY, build it yourself microscope that uses your iPhone. I had seen products like this before online, but we wanted something that was a little bit unique that had focusing, that was able to use a phone, that kind of encompassed the same spirit, and showed people that you can in fact use this powerful handheld feature to capture these really cool images, and leveraging the cost of the phone, which, not only the technology that's gone in there, but also the subscription contracts of service, have really lowered the costs where you have these very powerful handheld devices for not much money in your hand.

 So we went about and designed this, and I remember one of the funny things that the engineer ... so, Anthony Beatty, who at the period of time, my wife was in grad school, we had an extra room at our house, he was my roommate, we were building away in true startup fashion. So we had a couple versions of this, and he was talking about, "Should I incorporate the directions, and how are we going to mail out the direction?" I was kinda smiling, I said, "That's the difference between the engineering and the marketing aspect of it."

 Here he was building this great wooden scope, but our part, if you look closely at the wooden scope, at the bottom it says, "For instructions please visit," and it has our website homepage.

 So by doing this, they have this great wooden scope that they see a kit of, but it's just hard enough where I don't think many people ... Well, there's some smart people out there, but it'd be pretty difficult to assemble without going to our webpage and viewing a video.

 That was kind of the hook, saying, "Look, we'll give this out to you. Can we scan your badge? Can we tell you about the microscope? And here's your wooden scope." That was the part that we put some careful thought into. What we didn't expect was that there would be lines and word would get out and people would tweet about this, and at the show we would very quickly run out of these wooden scopes.

 We also didn't expect that people would blog about this, and then even larger high-traffic blogs would republish this and next thing you know we have 10,000 visits on our website, and we've sold tens of thousands of these wooden microscopes to multiple countries. We've partnered with companies such as Chroma. As a matter of fact, Jeff Carmichael, and they came up and we did some co-branding, and they purchased quite a bit, and did some donations to some third-world countries, and those pictures were tweeted. As much I'd like to take credit, and it feels good, it kind of grew on its own. We put it out there, and it's been a tremendous outcome.

Chris: Yeah. I just think it's a really nice integrated experience from walking into your booth, and getting the tour of the Revolve, and then being able to walk away with something that's so relevant to what you do, and it's fun to use. Obviously your customers may or may not being taking that thing home and using it, but a lot of them have kids. And it's gonna be sticky.

 And it perfectly ... well, you describe it, how it reinforces the message you want to send to customers. What do you think it does in that area?

Eugene: I commented just a little bit about purposing the power of the cellphone, but it's just the repackaging, and kind of the clever innovation and the forward-thinking of life sciences, or imaging instruments. Why not leverage what's currently out of the market, and use this to empower the users and make a better product?

Chris: Yeah. So you've taken something that whether people have thought about using their phone ... I'm sure everyone uses their iPhone or their iPad for taking pictures, but maybe hadn't thought about reframing that into let's take pictures of really small things, and get incredible images, and be able to manipulate them so easily.

 Overall, how's this helped you with your brand and do you see it going somewhere else, or what do you see happening?

Eugene: I can say that it definitely helped to get the word out. Our microscopes, I think that showed our first few productions runs were sold out even prior to us getting the parts, so that was pretty exciting. In our first year we went over our expected projections. That gave us an interesting message to tell investors when we were raising capital and it became actually kind of one of the key metrics for the valuation of our company.

 I think that overall the word has gotten out, and we still have more work to get done, but I kind of sometimes joke around or equate it to a band that has released a song, and we're very happy with how this debut went, and we're gonna continue to grow off that, but the next question is, how do you follow that up with additional, and how do you make that album? That's something that we're hard at work at, and we're very, very happy and excited about some of the things that we're working on today.

Chris: Got it. That's a beautiful analogy. How do you sustain the momentum and pull together an album that people are gonna love as much as they love the single? The other things I like there is, you reinforce something that I've talked with Karen Cushman about, who's a specialist in branding for life science startups, and how important it is, and when you have that story, and that thing that kicks you off, and now what that’s done, has enabled you to do to go to investors and say, "We've told the story well enough through design and our clever marketing, that we've sold out our first run before we had all the parts."

 That just goes to show that maybe a life science startup who isn't thinking so much about branding and really focused only on technology, might be missing an opportunity.

Eugene: Right.

Chris: Like I said, I'm gonna link to your site in this podcast, in the notes. Is there anything else I should link to, a Twitter page, or where else people should go to connect with Echo Labs?

Eugene: Our website discover-echo.com is a great place to start. For those who are interested in connecting, I also have my LinkedIn, it's linkedin.com/echo221. And we try to show at the major trade shows, it's been a very good reception, so for those in the life sciences industry, please feel free to stop by, and hopefully we'll have one of these wooden scopes still available.

Chris: Excellent. Eugene Cho, it's been a pleasure talking to you today. I think this is a fabulous story that people in any size life science company are going to appreciate, but certainly startups, gives them a lot to think about, the importance of putting together a good story and and good experience for their customers when they're getting going.

Eugene: Thanks for having me, Chris. It's been a pleasure speaking with you.

Chris: Likewise. Take care.

Eugene: Bye now.

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