



SEASON 2, EPISODE 16

INSIGHTS FROM EXECUTIVE, ENTREPRENEUR & CONSULTANT LOUIS FRISINA, MBA

David Mandell:

Hello, I'm David Mandell, host of the program. I'm excited about today's episode. I've got a friend of mine on who is very impressive. Every time I see him speak or we chat, I learn something. And I know you folks will also. So let me tell you about Louis Frisina, and then we will bring him on. Louis has been an executive and advisor to the pharmaceutical and medical device industries for 35 years, serving physician practices, hedge funds and private equity firms. After graduating summa cum laude from Dartmouth College, he wised up and received his MBA from Harvard. That's a joke.

Louis has been president of Fisher Scientific Worldwide, a New York Stock Exchange company. A worldwide vice president of Ares Serono, a Swiss biotech company. Hopefully I pronounced that right. As an entrepreneur, he has started and sold multiple businesses in the medical device industry. He was responsible for bringing Restylane to the US market, getting its US FDA approval and selling the North American rights to Medicis Pharmaceutical. Louis has visited over 2000 aesthetic medical practices and has lectured on the business and marketing of aesthetic medicine to societies and companies worldwide. So with that, Louis, welcome to the program.

Louis Frisina:

Thanks Dave and I'm happy to be here and thanks for the opportunity to chat.

David Mandell:

Excellent. Yeah, we really appreciate it. So let's start with the beginning. Where are you from? I know this but everybody needs to know. Where you're from. What did you study in school? Did you know while you were in school that you'd end up in the medical and biotech businesses or is that something that happened fortuitously? Tell us about that.

Louis Frisina:

Okay. Well it's a little that there's never a straight path or a straight line in light that's for sure. So I grew up actually outside of Boston in the sixties and seventies, so a little about my age dating self. In a town called Braintree, it's this historical town



because where John Quincy Adams, John Adams were the presidents and engineering was invented there from a guy named [Sylvanius 00:02:16] there. So it's a very old colonial town there. I went to Braintree High School. It was the valedictorian, went up to Dartmouth and I originally went to Dartmouth actually as a pre-med student. And a little about me. I just, if I get bored, I have a tendency of moving to the left or to the right really quickly. So I did the program. I actually did organic chemistry, everything and got bored. And I decided that I wanted to become a lawyer.

And so I switched my major to government. And at the time environmental sciences and graduated, as you said almost at the top of my class, I went to Harvard actually originally to the law school. I was interested in becoming a criminal lawyer and did that for a year, did very well but again, I got a little bored. It was very rote memory to me. I didn't think I was really using everything that God had given me in my brain. And so at midstream and I can tell you, my parents were not happy all the way through this whole process, despite where I am today. So don't, if anybody's out there worried about other people's feelings about where you've gone, stay the course and be true to yourself.

So I switched over to the Harvard Business School and actually over to the Sloan School of Management and then finally graduated a couple years later. So that was my background. And so the coming out from Boston, Boston actually in the seventies, started to become a Mecca for biotech and pharmaceuticals. It had been traditionally already because of the universities there, a very technical and more computer. We had digital equipment up there, we had Wang up there. And so that whole, that cold version of Silicon Valley had already started-

David Mandell:

At 128. Yeah.

Louis Frisina:

Right. And then companies like Genzyme came on and other biopharm biotech companies came up in that area. Some of which came from Switzerland and one of them that I actually worked with was that company called Ares Serono.

David Mandell:

Interesting. So first of all, a couple comments, I think it is entertaining to me. And it shows you how your brain works, that you're basically trying to survey every profession and medicine first, nah, that didn't really work. Law, no, maybe I'll go and get an MBA and see how executive business works. So that's good. And I can imagine your parents just throwing their hands up in the air as you shifted every year to... It all worked out. So did you start your career coming out when you finally finished at a HBS or Sloan into biotech or was there, are you kind of a segue there?



Louis Frisina:

So back in the seventies, interesting enough. And I know the sounds a little strange, there was the development of the investment banks. There was the development of venture capital during that time but another... And this was coming out of Harvard, so you wanted to aspire to go to the best place. Nobody was going to companies, nobody was going to manufacturing and so forth. And so the other area that was really big was the area of consulting, management consulting. And I actually ended up coming out of Harvard and going to a spinoff of one of probably the biggest consulting firms, maybe one of the most prestigious in the world. And that was the Boston Consulting Group.

David Mandell:

Yeah. BCG.

Louis Frisina:

We did board level, eSuite level consulting. So here I am at 26 working at this spinoff of BCG and at 26 in the board rooms of these Fortune 100 companies telling guys that were 25, 30 years older than I am, that either they were on the right path or here's some, you know, modifications to your business and strategy plan and other things. And it was a very interesting experience for me. I tried to morph, I still have always had a love for medical. So despite the fact that I've had a little going to the left and right and not a straight path to where I am today.

I always was in love with the medical and the business side allowed me to be more creative and use my brain or at least I thought to my brain and I found business to be because of all the uncertainties and because you don't really have total control of what's going on, it really forces you to think hard and to think maybe beyond the normal process that you would go to, to try to arrive at the right answer. In the early days, this board level decisions that we were making, even going back into the eighties were 50, 100 million, \$500 million decisions. And as a consultant or advisor to these companies you had to be spot on or you could get yourself and the company in trouble.

David Mandell:

Right, right. No, I remember I graduated 90 in obviously investment banks but a lot of consulting groups recruiting at that time. And that was a common path. People would go there a couple years, get really good business exposure, maybe then go back and get an MBA and then go back. Or it sounds like probably I'm just guessing but you'll tell me, actually spinning off and going into companies saying, "Hey, listen, you guys are playing smartly." Go ahead.

Louis Frisina:



So that's actually what happened. I was there and two years later was working with the Swiss biotech company that was involved in the field of infertility treatments using something called recombinant mammalian cell technology, it was basically like Genentech, using genetic engineering and I had been working with them for a couple years at this consulting firm. And they asked me to come on to be the worldwide vice president of marketing and sales. And that was a little of a natural progression. So I was in a fortuitous position where I had all of these clients and almost could decide if they wanted to and it was right for them and right for me to be able to steer off the consulting path, as you said and move into one of them.

And so I did that for about four years, flying back from Boston to Geneva, to Zurich and around the world building this multinational platform for an indication infertility, what was also happening back in the seventies and eighties, people were getting married later. And as a consequence, having children later, not everybody had the same... Being younger is a benefit to getting pregnant and sustaining the birthing of a child. And so it was a business actually that when I started was about a hundred million and in four years, both through the US and internationally, we grew to 800, \$900 million, it was an incredible journey. When my daughter had career day, she got herself into a little trouble because when they asked her what your father did at the time, they said that my dad goes around the world making women pregnant.

And it was, I actually, I called into the principal's office and they said, "Is this true? Or I mean, what are you actually doing? I can imagine what was going through their head. And it was a very innocent comment from my daughter, Katie, but it was actually true. I would get hundreds and hundreds of letters from women around the world, thank you very much. It's been two years and your drugs helped me and you know, all that other stuff. So I was in the biotech industry. I was really excited about the opportunity. I then moved to Fisher Scientific. I was recruited there as a New York stock exchange company. They were the main suppliers to biopharm and biotech around the world. And gave me the opportunity, it was more of an international position.

I traveled to probably 60 countries in four years and accumulated millions of frequent flyer miles and things like that. And that was again, building a business into a multinational, multi geographic opportunity. And we ended up selling that about five years after I left to a very big company up in Boston called Thermo Electron, the brothers from MIT. And it's now called Thermo Fisher and still trades very actively and very successfully on the NYSE. But after that corporate opportunity and doing the consulting and doing the worldwide but there were two things that came in. Number one was I was making a lot of people, a lot of money and don't get me wrong. I did extraordinarily well myself. I'm blessed that I have that ability and that my job actually, from a merit standpoint, pays me for what I think I deserve but I wanted to have a little more control over the total process.

And I wanted to be able to reap more of the financial and other benefits. And so I got the entrepreneurial bug. The short story that I tell everyone, I came to my parents



and I was going to tell them that I was leaving Fisher Scientific, this big New York stock exchange, president's job and flying around in private jets. I was going to go to this little but startup company that was also in the women's healthcare area. And I told my father and he said, "Are they going to be paying you the same?" And I was actually making a substantial amount of money there. When I told him that my salary was being cut by 90% but that I was getting shares in this company. He got up from the table and chased me outside. We both got in our respective cars.

It was like the craziest thing. We're chasing ourselves around the circle in our neighborhood. And I finally stopped. I said, "What do you want me to do here?" I said, "I can't continue on this corporate thing. I need to do my own thing. I know I have a family, I feel like I'm taking a calculated risk here." And he was just absolutely, absolutely berserk. All I can tell you is three years later when I took that position at GynoPharma, we ended up selling it for \$72 million and I owned 15% of the company and stuff. And that was my first step towards doing my own thing for basically the rest of my life and so forth. I did do another one that in life and in business, you go sideways.

Hopefully, you don't decline but I, for a couple years, I did another company called Collagenesis. It was a great experience. We raised \$40 million for an injectable dermal filler type of thing for the budding aesthetics industry at that time. And we did okay. We didn't do great but what it did do and that's why sometimes it's good to go sideways is I loved the aesthetics industry. I loved the fact that it didn't take insurance. I loved the fact that it was more about quality of life, morbidity than mortality. I'd been involved in a number of drugs in the NICU, in the ICU where mortality was one of the things you were trying to do.

And so the aesthetics industry was very interesting. But in that specific company, Collagenesis, it went sideways but it did lead me to the next big, big thing in my life. And that was finding Restylane down in Brazil and then taking it through the FDA, doing the clinical trials and basically fundamentally changing the entire aesthetic industry with one single product and ultimately sold it at the time to a very large New York Stock Exchange company in the dermatology segment called Medicis Pharmaceutical.

David Mandell:

We, I mean, we could talk here. It's so interesting. Each one of these as we know, could be an HBS business case study, we could drill down into what you did and what you learned from each one of them but we'll have you back again, I'm sure on this podcast. But from a high perspective in knowing that most of the folks listening to this are physicians in private practice or physicians in employed practice, what have you but some of them have entrepreneurial ventures and some have entrepreneurial dreams and interests.

So big picture, what are some of the things you have translated from your experiences, being a CEO, running these businesses that when you come to and you



consult with medical practices in the bio 2000 aesthetic practices and that's how I met you. And we actually have clients in common where you've come in and taken and look at the practice and do your analysis and your consulting. What are the kinds of things that you with your experience are looking for? That you're in the weeds when you're working with physicians in practices that you're looking for, that you're talking about, that you are making sure they're aware of, et cetera, take that where you want.

Louis Frisina:

So, back in early 2000, when I started to get involved with Restylane and traveling around the world and traveling in the United States, visiting because it was a fundamental change in the product that they were using at that time. And so all of that got taken care of but about 2003, 2004, I started to look for other opportunities, maybe we'll have the opportunity to talk about regenerative medicine, which is really where I am today. But what happened is we got hit with a really major reception in 2007, especially here in Florida, that the early stages that lasted for about six or seven or eight years. And by that time I had seen probably about 1500 aesthetic practices. These physicians were not doing well during the recession. And to the point, people were very, very successful people crying on the phone that they hadn't seen a client for a consult in a couple of months.

And one of the doctors I talked to said to me, "Do you think you can help me?" And I said, "Geez, I'm a corporate guy from the drug side, from the product side and so forth." They said, "I've never run a physician's practice or really, truly understand that." And this was back in about 2009, 2010 and the guy said to me, "You went to 1500 practices, didn't you?" And I said, "Yeah, probably, maybe a little more." Said, "Did you learn anything?" And it was a very funny conversation. And then suddenly and I described this as visualizing in front of me, five, six screens, like TV screens that I was looking at and I could see all of the fundamental components of these practices. It just happened to be in the back of my head.

And I said to him, "Yeah, I think I actually can help you." And so for that 10 years and basically up to now, I've taken everything that I've learned and tried to apply it to the primarily dermatology plastic surgery, with a emphasis on aesthetic and wellness medicine. And it's been, I've had a tremendous amount of learning experiences in terms what constitutes best in class, best practices. And I work with them. I work with practices that grow 20 to 30% on the top line and they generate 25 or 30% on the bottom line. I think there are probably in that particular market and this is basically a fee for service market. So it has a little insurance with it but it's basically, you're asking people to take money out of their pocket.

I think there's probably three things that I've learned from best-in-class practices, teach it and also apply it to the people who to I advise. The first thing is this is not too much different than the restaurant industry in the fact that it's a 24 7 job. These practices are open on Saturdays and some are often open on Sundays. These are



aesthetic procedures that are elective and that they take time out of their professional careers or out of school or whatever to be able to do. And as a consequence these practices are running from eight to eight five days a week and then on the weekends. And so one of the things that you learn is that the best practices have owners that are passionate about what they're doing and they don't care if they spend 60, 70, 80 or 90 hours a week.

It's not about the time, it's about the patients. It's about their staff in everything else. The second thing that I learned is, physician practices are service businesses and they involve, from an HBS standpoint, they involve human capital. And it's the management of those employees and staff from the interviewing, to holding them accountable, to making sure that you've got accurate job descriptions that you've set out for 2022 objectives, that each of those employees should attain in the collective sense to be able to ultimately impact both the revenue and the income and the profitability of practice. And I think sometimes we forget what we're running here. This is not a widget business. This is not a pill dispensing or anything else. This is a human capital and service business.

And the second thing as I said, that the best practices have the best employees in all of their respective positions. They have great retention. They take care of them financially. They know how to incent them both financially and non-financially in the practice. They're treated like a family. It's a hard thing to talk to people about because we always try to separate our professional from our personal life. But honestly, if you want to be one of these super successful practices, you've got to treat it like a family and they talk about it as a family. And they're there almost incessantly for their employees sometimes more than for their biological family. And it's a tough sacrifice and it requires compromises and sacrifices in your personal life and in everything else. The third thing that I learned is this is, as I said, an out of pocket business, this is not something that is insurance driven and they're not necessarily coming to you because they have a medical ailment or a disease state or a condition that required.

This is elective surgery or elective procedures. And one of the... And you didn't have to, as I tell in my, you didn't have to go to the Harvard Business School to figure out that one of the most important components of this business, I know it's a medical business, is that if you don't have best in class marketing and if you don't have best in class sales people on your team, you're just not going to get there. And I've had practices with surgeons, practices with PAs and NP that have the hands of God in procedures and are almost bankrupt at the same time because they don't have that other important part. It's just part of our business. Something that I think a lot of people snuffed at because they were medical practices but if you're not doing your social media, if you're not doing forward proactive text messaging to your clients, if your website is horrible, if you're not doing some paper click ads to be able to increase awareness and breadth of what you're doing and so forth.

And if you don't have, whether you call them patient care coordinators or sales consultants in your practice, so that when you're building that marketing funnel and



they finally come in for that consult, that you're achieving a 60, 70, 80% from consult to booking conversion ratios. And you've got to recognize that and you've got to have both internal sales support, selling support and you need to have, as importantly, you need to have external marketing. So the best in class have the best internet companies, best social media companies, the best ad companies, best public relations companies. And it continues to fuel that machine.

David Mandell:

Yep. Yeah. No, I appreciate you sharing those three ideas and they make sense when you hear it but it's not what the Derms or the plastics or the cosmetics, et cetera were trained in. So, how are they going to excel in that other than trial by fire, making mistakes along the way, finally wising up? This is why they need folks like you to bring those best practices-

Louis Frisina:

And folks like you.

David Mandell:

Yeah. Yeah, exactly. We play a role in that because-

Louis Frisina:

I'll talk about your component as well because that's a another... So I think it's both an internal, I mean, you have managers in these practices. And I have practices that aren't necessarily super huge. They're five or \$6 million, with a practice manager that also has an MBA. So, they're managing the QuickBooks, they're managing the patient scheduling and software systems. They're managing the electronic medical records. They're watching metrics. They have built monthly budgets that they look at on a monthly basis and compare actual to budget and look at the variances and do the corrective action programs that are necessary for the next month and the month after and everything else. So sometimes and luckily you can actually find managers that either through family connections or through their own education bring a certain level of business acumen to the business.

But I think if you want to of go beyond that and beyond your geographical target, doesn't matter whether it's Sarasota, Florida or Lafayette, Louisiana, you've got to be able to bring in other experts to find out what other best in class do. And so they're constantly asking me, they know who I work for, what did they do in this situation or what did you do with them in this particular human resource issue? And we bring, with all the experience and all the miles that myself and obviously people like you do to bring to these clients, you're basically trying to do two things. One is, avoid the mistakes that everybody else has made and that helps. And also try to move the needle forward because at the end of the day, it's a net net game.



It's not taking five steps forward. It's taking five steps forward and not having eight steps backwards. And it's me managing both the risk and the practice as well as the growth and expansion opportunities. And they finally get there. I'm at a point in time with some of these practices that have been around for quite a long time who have generated a significant amount of a creative wealth to themselves and to their families. And so more recently and I'm happy we finally got there after all of this hard work, they're looking at strategies with all of this cash and all their profitability to minimize their taxes and to invest it and so the handoff to you has been much more frequent and more recent than say it was six or seven years ago when they were just getting out of the recession and a lot of them rebuilding their practices.

So there's a beginning of this game and then there's the end game, whether, and I'm involved in many acquisitions and many merges and selling of practices. And you've got to think pretty hard about with the payoff that hopefully from all the hard work that you've done, that it's put in the most tax advantageous and hopefully continue to creative wealth vehicles out there that people like you are the experts in.

David Mandell:

Yeah. It makes sense. And we've been seeing that in a lot of different specialties and obviously aesthetics is part of that. And it's a big decision if someone's going to exit, if they're going to continue to practice but have somebody else own it, whether it be private equity or roll into a larger platform and they got to model it out, how does it affect their life? What does it... Just like you were speeding around the neighborhood, around with your dad because you wanted to make a decision that affected your life based on financials. You wanted to take some more risk at that time and more upside, these people are maybe thinking the other way. I want to take some off the table and to run the numbers for them personally and show them what that means for their life.

And often the spouse's life who may be on board or not on board or pushing it or not pushing it, getting everybody on the same table, at least to understand what it is, then they can make an informed decision, because that's where the overlap between business and personal financial life, that's where it comes. So I appreciate what you said. We've got two more questions but I want the second to last one to be about what you're doing today. So you mentioned regenerative medicine, give us a little bit of insight of what you're up to today, as well as what you're doing with the docs consulting wise, which is you just talked about.

Louis Frisina:

Right. So what's happened over in the progression of aesthetic medicine, people are obviously, these are all external factors. You're trying to basically either rejuvenate or improve your external appearance, from hair rejuvenation all the way down to your feet, honestly and everything in between, I like to say the least. And we've all been surprised about the things that we've actually done in between the procedures that



came out. And so that's actually a very important thing that we've been able to bring to these folks. But what happened was that about 10 years ago and it actually happened up in your neck of the woods, up in Boca, where somebody came to me and said, "Look and I'm getting a lot of these patients who are saying, dear doctor, thank you for making me as beautiful as you possibly can. I never thought that I would ever look like this again or restore my youthfulness. I wish I felt as good as you've made me look." And in the old days they would say, "Yeah, I can't help you, good luck with that." There are GP's-

David Mandell:

Eat more vegetables.

Louis Frisina:

... Internal medicine and stuff like that. But the preponderance of these patients became so significant that the entrepreneurial doctors out there and I'm talking 10 or 12 years ago, started to think about bringing in these wellness doctors. Some of them come from the aid forum, they get certifications, no medical school training but it's a combination of things like hormone testing, like IV therapy. It has progressed and advanced to these days to things like stem cell therapy, where we're trying to look at biological solutions and maybe biological solutions that use our own body.

David Mandell:

Like PRP, something like that?

Louis Frisina:

PRP is a perfect example what's happened in the last several years where it really is FDA indicated only for something in the knee. And of course was, you're using autologously your own blood and then spinning out the important growth factors and immune factors and using that either for accelerated wound healing, say after a facelift, there a lot of doctors that do that or they use it for hair restoration because it has certain growth factors that may actually be important to the growth expansion or restoration of the hair follicles. So that started to happen and so there are many integrated practices that are out there. In fact, one of the biggest trends that's happened and there was a meeting that started also about that same time called Vegas Cosmetic Surgery.

It sounds like it's a surgical meeting but in fact, what it is, was the first time of integrating different types of practices, plastics with derm, derms with ophthalmics, ophthalmics with mid-levels, aesthetics with wellness and they started to create a more of a 360 holistic approach to the patient. And what that actually ended up doing is, we call it ping pong but it effectively ended up being one stop shopping. And you didn't have to go anywhere else. And the ping pong was, you send them down the hallway to maybe they do all the testing, find out that they're hormone



deficient, a B12 deficient or folate deficient. And they fix them up. They feel much better. And they come back. They said, "Boy, I really feel good and so forth and now I'm ready for another aesthetic procedure."

And then they get an aesthetic procedure, and they want to feel even better than what they are feeling. And so they add on a couple of more IV therapies. And so that ping pong and best in class practices occurs right now. And it's a 360 holistic approach. It is probably the most profitable business model out there. And the other thing that happens is an aesthetic medicine, which are primarily women. When you bring the wellness component in, you've actually started to integrate males into primarily in aesthetic medicine practice that they start to cross over males, start to cross over when it comes to hair restoration or maybe some type of body shaping, they do injectables and other things like that and facials but it allows for some cross-selling and upselling of those, especially male patients to other parts of the practice.

So, where I started out with just, it was just Botox and filler and a couple of laser hair removal systems, has now moved into practices that take care of outside of the fundamental necessary disease states and conditions. Putting aside that part of your medical care, these practices have start to become your go-to practice for both inner and out of beauty. And it's a good thing. It's a win-win for everyone. And I encourage people to look at that side of wellness and that side of regenerative medicine because on the biotech biopharm side, there are a lot of things that are coming out of the pipeline, things like exosomes and other regenerative medical therapies that will slowly but surely be integrated into these types of practices and other practices as well. It's all a good stuff.

David Mandell:

I'm very interested in that, personally longevity medicine and all of that kind of thing.

Louis Frisina:

And it's all anti-aging. I mean, we all want to live to become a Centurion and that is clearly becoming a possibility.

David Mandell:

Yeah, exactly. So we're keeping up with the sciences, the science takes us there. The physicians can figure out how to deliver what the patient wants. So, well, Lou, this has been really interesting as I knew it would be. I try to keep these at the right timeframe. We will definitely have you back because I want to drill down again into some of these entrepreneurial activities. And I know you'll be doing cool stuff when we talk again within six months or a year but thanks again for being on. I really appreciate it.

Louis Frisina:



Oh, it's my pleasure. And thanks for the opportunity for your audience to listen.

David Mandell:

Yep. And so for the audience, appreciate you being on. As always in another two weeks, we'll have another episode, tell your friends and colleagues, let us know what you think. If you're a physician who you think would be a good guest on the program, reach out to me, happy to chat with you, see if it might be a good fit. So Lou, thanks a lot. To all the audience, thanks very much and stay tuned for our next episode next time. Thank you.

Louis Frisina:

Thank you.