



Crescent Cove Conversations

featuring

Chakri Toleti
Founder & CEO, care.ai



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What is it and why was it created?

Fundamentally, people do business with people. Our founder series is a place where we can show the person behind the business. It will tell the story of how and why the business was started. Our series will be personal and pointed. Our founders are impressive people. Sometimes, they are following a calling to right a wrong, fill a gap, be of greater service, but in all cases, they have a great story to tell.

We look forward to you listening to their stories and learning more about these entrepreneurs.

Crescent Cove Conversations: Chakri Toleti, Founder & CEO, care.ai

In this series, Crescent Cove invites insights and life lessons from the founders and leaders we've worked with over the years. Acknowledging there is no 'secret sauce' to success, these vignettes explore the human dimension of high-performing individuals and the companies they lead.

Chakri Toleti founded care.ai to bring the first and only AI-powered autonomous monitoring platform to healthcare to safeguard patients and improve outcomes. Prior to founding [care.ai](https://www.care.ai), Chakri was the founder and CEO of HealthGrid, an enterprise patient engagement platform designed to connect patients and providers via their smart devices. In 2018, HealthGrid was acquired by Allscripts to integrate HealthGrid's functionality into their FollowMyHealth platform.

Chakri sat down with Crescent Cove to talk about his journey from India's filmmaking industry to the U.S. innovation ecosystem, the overlapping skills that allowed him to be successful in both, the future of AI in healthcare, and why the most creative question is always "What else?"

Crescent Cove (CC): Chakri, you've got such a fascinating bio. You started in film in India. From there you pivoted to entrepreneurship in the U.S. You've founded and sold multiple companies. Now you lead an AI healthcare company. That's an incredible arc, and we're excited to hear the story. But first, tell us about your childhood. Just how did you break into acting and film?

Chakri Toleti (CT): I lived the first 20 years of my life in India, in a small beach town on the east coast called Vizag. In 1994, I moved to Florida, so I guess I went from the east coast of India to east coast of the U.S. Maybe I'm dating myself now, but I've spent more of my life in America than India.

As for filmmaking, it was really through my father. Just like any other Indian family, ours had too many doctors. Between my parents, my sisters, my sisters' kids – we have probably a dozen doctors across our family. My dad was a physician too, but writing was his side hustle, and he wrote movie scripts. He became famous for it. That got me exposed to acting and filmmaking.

CC: What's the hardest part about acting? Is there cross-over between making movies and building businesses?

CT: Great actors make it look easy, but it is extraordinarily hard. You have to love it. Every type of job has its difficulties, but the people who enjoy it make it look easy. This is true for any industry, really.

It's something I've observed across all the industries I've dabbled in:

unless you truly enjoy what you do, it will look hard to others and more importantly it will feel hard to you.

Building businesses, building technology, I enjoy this. I wake up, I come here and work until 2 a.m. or 3 a.m. or until I get tired. But then I wake up and do it again because I really enjoy it. My ADD, dyslexia, ADHD – everything kicks in – and having that impressionable attitude is extremely important.

When you're innovating, if you're really trying to build something that didn't exist in the past, then I think you have to enjoy it.

CC: Tell us about your transition to the U.S. How did that come about?

CT: So, it happened that I started in front of the camera in India as an actor, but I was always more interested in the art of storytelling itself. I enjoyed that more. In fact, I was so interested in it, I decided to go to film school in the U.S. even though my technical background in India was computer science. I was just still fascinated with storytelling.

Going to film school got me into a division within Disney called Disney Ideas, which did special projects. I joined as an intern, and eventually they offered me a fulltime gig. I was there a few years, during which they went through a lot of changes. When they shut down the division, a few friends got together and started a private company. I joined that before deciding to start my own business.

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CC: Was your first business in entertainment or computer science?

CT: It was a visual effects, animation, and creative services company called Planet X. But we slowly transformed that into content management software. It was before the dotcom bubble, and I had always been fascinated with building products, creating something.

Really, that's been my passion – to create – and that drove the concept of building websites and tools. In those days, in the mid-to-late 1990s, there were no automatic tools to build websites.

CC: Fascinating. So your first business began in the entertainment space but became more of a tech-focused company. How did you pivot into healthcare?

CT: I built the first business, exited it when Mobius acquired us, and then started a second venture. At that time, I had just started to see the evolution of self-service tech coming into being. Airlines, for example, were trying to adopt kiosks at airports for boarding passes.

At the previous website business, healthcare had been one of our verticals, and a lot of the hospitals needed websites. They were using our tool kit to build their intranet websites and their content management. That got us exposure to the U.S. health care system, which is probably not the most efficient in the world in terms of tech adoption. Of course, that's for the right reasons – regulations and patient safety, and things like that. Still, it was a little bit behind the other industries.

That sparked the idea: ‘What about bringing automation into the check-in process for healthcare? What if we could take the paper out of it?’

Eventually I sold that business to National Cash Register, or NCR. They did a lot of work with ATMs, so they were interested.

CC: So you spotted an emergent trend and saw how your experiences might apply?

CT: Yes, and then I did it again. Around this time, I started to see the evolution from the physical space to the mobile world, and I began thinking about how these concepts might apply there.

Take patient engagement, for example. It's a consumer experience.

Now, in the entertainment industry, the whole point of consumer engagement is to make it an experience. But if you look at health care, the experiences there are very different. When people walk into a clinic or a hospital, they're already stressed. They're looking at the experience from a very different perspective than someone walking into a theme park.

Also, whereas in the theme park it's pretty clear where to go to find food, restrooms, or the ride or whatever, it's not intuitive a lot of the times what's going to happen next in the medical environment.

I wondered ‘How do you take that patient experience and make it more intuitive?’

And that's what my next company became. The goal was to bring the experience to where patients already were via mobile. That way, even before they went into their appointment they could get a text, click a link, complete their check in, pay their copay, etc. Eventually I sold that business to Allscripts as their mobile patient engagement platform.

CC: That's a powerful insight – to see that both entertainment and medicine have a fundamentally similar element – they're both experiences – but recognize an opportunity in one of them because of an unrelated, emerging trend. Also, just so we're keeping track for the folks back home, that's how many businesses that you've started and sold at this point in your career now?

CT: Three.

CC: I want to get to care.ai, your current business, but first I have to ask this: Given your roots in India's filmmaking industry, and the success you've enjoyed as an entrepreneur in the U.S., are there transferrable lessons from film or acting that have helped you in business?

CT: I was always passionate about cameras and cinematography. If you look at the movie business or creative arts and sciences in general now – it's a lot of tech going into it. That's what I did at Disney Ideas. I did pixie dust for Tinker Bell and water algorithms and things like that. That combination of creativity and tech helped me quite a bit. Imagination was extremely important, too.

Once you start to imagine and create something that doesn't exist, that's where you're always challenging and pushing. What are the

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Today, when I look at a workflow or a process, I'm always looking at it from a point of view of 'How else can we do this? How can we improve it? How can you tell the same story in a different way? What's the experience for the person in the story doing the task?'

When you're directing a movie, you need to be asking 'What else can this character do?' And when you're analyzing a problem in health care, you need to do something similar.

Look at a care team member, let's say a nurse. If she's doing documentation, and I wanted to imagine the most effective way to provide care in a patient's room, what would be the best use of space? How can we transform the current physical space into a smart patient room?

The question to ask is not "if / then," but rather "What else?" That's the advantage of a creative mindset. You get exposure to those types of challenges in a storytelling environment. The creative mindset is important because you can see things from a very different angle than the tech mindset.

CC: That's a great segue into care.ai. Can you tell us how it came about?

CT: As I watched other industries evolve, I always tried to draw parallels to healthcare, and to see how you might be able to adopt innovation from those industries. I know and respect [Jason Eichenholz](#), who co-founded [Luminar](#), which is another one of the companies that Jun and Crescent Cove advise and support.

Jun has been extraordinary to work with, and the people he chooses to partner with are no less extraordinary.

I think what Jason and the Luminar team are doing with LIDAR for

driverless cars is incredible. And the more I learned about that space, the more I thought there had to be applicability for healthcare.

Then, one day, about five or six years ago, my mother slipped and fell in the bathroom back in India. She was in her late seventies at the time and living alone. She was there a while before she was able to get help. Fortunately, she was all right and she's now in her early eighties.

But after that incident, I began to think about how you could ambiently monitor a space, just like your smart phone, or doorbell, or garage door could, but orient it toward your healthcare needs. We have all these different IOT devices that give you real-time information about your home, but there is a significant gap in healthcare where you don't have that real-time information. Most of the time, it's still a human in the loop, probably at a keyboard capturing information manually and adding it into a patient's electronic medical record (EMR).

That was the genesis for care.ai – we wanted to find a way to bring ambient intelligence into healthcare, because human beings are the most error-prone parts of that process. Just like a self-driving car will eventually provide the ability to get from point A to point B much more safely, we think you can minimize the errors in healthcare using AI.

Our objective is to look at the healthcare environment and build these spaces that deliver the most efficient and highest quality care. That's been the journey at care.ai. The last four years, we've been looking at these clinical and operational workflows and bringing them together to deliver real-time insights into the care teams.

Imagine if you had the ability to connect into a loved one's hospital room 24/7 or get a notification saying 'Dinner was delivered.'

And it's not just hospitals, either. We work with a lot of nursing homes. We see patients in their eighties or nineties, and their families are all over the country. So, we're working to give the data not only to the care team, but to the family, securely, wherever they may be.

It's a fundamental paradigm shift. We're seeing these transformational changes happen and it's quite energizing.

CC: I can imagine. As you've built and sold these businesses, would you say there was a 'most valuable mistake' in your career?

CT: I saw that question, and I was thinking about it. I mean, I make mistakes every day, and it sounds cliché, but the ability to learn from your mistakes is unbelievably important. Personally, I'd have a hard time saying there was one most valuable mistake. I don't really dwell on them.

In my movie business and in my entrepreneurial endeavors, I think

it's important to understand there is no one set creative process. You can tell the same story in five different ways. Sometimes, you get a script and you think, 'This is a good script with this ending or that ending,' and you make a decision and go with one specific approach. Sometimes, you can see those options, but maybe you're forced to tell the story one way or to run the business a certain way. And when it doesn't work, you can look back and see what you should or could have done differently.

I said I don't dwell on mistakes, though, and I really don't. That can put you into a doom loop and make you afraid to make new mistakes. Of course I try not to make the same mistake twice, but if you focus so much on that, the right side of your brain stops working.

CC: You've shared how care.ai is using AI to transform healthcare. How do you see AI impacting society more broadly right now? And what do you foresee as its future impact?

CT: Every time you see a path-breaking technological innovation, it impacts humanity in a profound way. Electricity, airlines, AI – whatever it is.

For example, a hundred years ago, when you couldn't travel far distances in short periods of time, you'd probably meet your better half within a small radius of where you grew up – in your village or your town. Then, suddenly humankind has new modes of transportation – railroads and airplanes. People would travel. Today, it's far more common for people to meet spouses or significant others who grew up hundreds or thousands of miles away. That has a profound impact on both the place they were from and the place they chose to settle in.

Communications technology has changed the way we interact – it's even changed language itself. Think emojis.

Look at energy, at oil. A hundred-plus years ago, the Middle East is a very different part of the world in terms of its development. Technology has changed that. Go back about the same time, and China is a very different country. Innovation, manufacturing, and tech has changed that country profoundly.

I think you will see the same with automation, autonomy, ambient and artificial intelligence. This is the next wave. There are AI algorithms that are as effective if not more effective than some physicians graduating medical school today. How do you co-exist? That will be the biggest transformation that will happen.

Because as the tech evolves at the rate it is, the type of jobs we do will change. The types of knowledge that one needs to be effective in their job will change dramatically.

CC: How should people anticipate that change? What does today's med student need to do to meet the AI moment?

CT: Our ability to adapt is the most important thing that humanity needs in the next 20 years. As humans, we are creatures of comfort. We are very resilient, but sometimes I think we've lost that ability to adapt the way previous generations adapted.

I think of India. Quite a bit of change has happened there in the last 20 years. I go back every other year, and I see how things have changed at a lightning speed. It is such an old culture – tens of thousands of years old – but it's fascinating to see how fast they've adapted to new tech and newer ways of life.

And there's a lot of commonality between India and the U.S. – they do share a lot of core values and they even share a language, English. It's important to draw parallels and see how other parts of the world are embracing change and innovating because maybe you can learn from them.

CC: That's great advice. And speaking of advice and learning from others, what's your advice for young entrepreneurs or founders?

CT: It's not just one ingredient that makes a successful entrepreneur. There are a few ingredients required.

Your creativity is extremely important. Once the decision to become an entrepreneur is made, once you start that journey, that first step itself reveals a lot about you. It's extremely defining. There's no journey without challenges, and how you adapt to those challenges and be creative and surround yourself with positivity is crucial.



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And delivering value, of course. Whoever is paying you for whatever you're selling, you have to drive value for them. If you're doing that, the rest of it typically works out.

I've seen amazing products that promised value but didn't deliver it. It happens. Those are the challenges, but being able to creatively adapt lets you come out the other side.

CC: Did you have any models starting out as entrepreneur? Was there anyone you saw creatively adapt and deliver in ways that inspired you?



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CT: I learned a lot from my mom. She is 82 now and a physician. While working as a woman physician in India, she also had one of the largest construction companies in my town. She was in business, in real estate, building apartment high rises, doing housing develop-

ment projects, etc. I saw how hard she worked and have tried to do the same. I've seen families buy their first home from her, and then seen their kids come back and buy their first home from her.

I've seen so much of the hustle that she had. That inspiration to be proactive, to create something, came from her.

CC: She sounds superhuman.

CT: Yeah, and remember it was *fifty* years ago. India then was very different.

CC: OK, last question, and it's one we ask everyone: what is happiness?

CT: For me, it's an easy question because I wake up happy. I'm happy I'm breathing right now. If you come from a third-world country, if you've seen some of the less fortunate places in the world, it is not hard to be happy in the United States. We tend to forget how fortunate we are.

I've seen people born into situations where they don't have a choice of what they do in order to survive – in war zones and conflict zones, places like that. When I think of that choice that we do have here in the U.S., that is part of happiness to me.

Obviously, everyone goes through stuff. Obviously, there are situations you'll be unhappy about. There are ups and downs, and we will all go through them. But for me, happiness is everything that's been right from my childhood up to now. A huge part of that is my family and being grateful for what I have.

That's the Buddhist spirituality: you were born, and you are destined to die. That's inevitable. What you do in between those two points, what you can leave behind is what defines you, and you have to be happy about that. If not that, what else is there? ■



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Crescent Cove is a technology-focused investment firm that is dedicated to supporting entrepreneurs and founders. Established in 2016, Crescent Cove leverages its global network of relationships and insight across markets, emerging industries, and technologies to build businesses and accelerate value creation across its portfolios.



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