

Dexcom device exec presses to connect

When Kevin Sayer joined Dexcom in June 2011 after sitting on its board for four years, he found himself in an unusual situation. Nobody had ever held the president/COO role at the company, so expectations for it hadn't yet been drawn. "Those first weeks, I wandered around the halls and tried to find something to do," he laughs. "I'd walk into meetings and introduce myself, then just listen."

It wasn't long before Sayer spoke up. Dexcom, a maker of continuous glucose monitoring systems for diabetics, was preparing to submit its fourth-generation product for FDA approval. Sayer, however, didn't think the device's accuracy or performance was up to snuff. In his first major decision, he decided to delay the submission, ultimately by six months.

This did not go over well with the investment community, which interpreted the delay as a sign of trouble and punished Dexcom's stock price. After changes to the handheld reader (to something akin to an iPod) and to the algorithm that converts the signal from the device's sensor into a glucose value, Dexcom sent the G4 Platinum to the FDA. One hundred seventy-seven days later, the agency okayed it.

"People thought we missed a milestone. What they didn't realize is that the delay meant we got the product right," Sayer says.

Fast-forward to 2015, when Dexcom finds itself on a streak of seven consecutive quarters of at least 60% growth versus the year-ago period. In 2014 revenues were \$257 million; revenue in the fourth quarter of 2014 hit \$84 million, not too far behind the 2012 full-year total of \$93 million.

While Sayer has received credit for Dexcom's successes, he practically scoffs at the notion that he deserves it. That said, there's no doubt that Sayer was ready for his first stint as a CEO. Starting in his father's car dealerships—he first punched the clock at age 11—Sayer has been a quick study. He became acquainted with the device space as an accountant with Ernst & Young, then formally entered it in the mid-'90s as CFO of MiniMed, a maker of diabetes-management

Kevin Sayer
President and CEO,
Dexcom

June 2011–January 2015
President and COO, Dexcom

April 2007–December 2010
CFO, Biosensors International Group

2004–2005
EVP and CFO, Specialty Labs

August 2001–August 2002
General manager, Medtronic Diabetes Insulin Pump Business

devices. By the time the company was bought by Medtronic (and later renamed Medtronic Diabetes), Sayer had earned a rep as an exec equally comfortable with science and finance.

He's tapping all his skills as Dexcom attempts to tackle its next challenge: connectivity. "Having a device you carry around to check your glucose is okay, but everybody would rather look at a phone," Sayer acknowledges. To that end, the company received FDA approval in February for a component that does just that: transmit glucose data from the G4 Platinum directly to smartphones. Once the data is beamed into Dexcom's secure cloud, it can be shared with anyone a patient wants—a godsend for, say, working parents who wish to monitor a child's levels from afar.

Smartphone connectivity is a feature that parents of diabetic children have long wanted—and one that a group of "Diabetes Dads" jury-rigged on their own. Asked about the Diabetes Dads, Sayer sighs. "They created a lot of awareness of the need for better connectivity, which was a huge plus," he says. "But we'd been working on this for years. My first meeting with the FDA about this took place in 2011. Because of our efforts, there's a path for these people to have a solution that's compliant with FDA standards."

In addition to the technological challenges presented by connectivity, Dexcom is also confronting a range of marketing challenges, especially vis-à-vis payer organizations. "Our products are covered in the same way a hospital bed is covered," Sayer reports. "We're not approved for Medicare patients right now; we're working vigorously to change that."

Still, Sayer sees the bigger picture. Over the years he has spent "lots of nights on the ground" during campouts with his five sons, four of whom are Eagle Scouts (and the fifth of whom is on his way). During a break between jobs, he served as an assistant basketball coach under the eldest of those sons, who coached the JV team at the school where he taught.

"Some people wake up in the middle of the night worrying about business. When I wake up, I can't sleep because I'm so excited," Sayer says. "Everybody who walks these halls feels this way." —Larry Dobrow



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