

To: Sunny Balwani[sbalwani@theranos.com]
From: Elizabeth Holmes
Sent: Wed 4/18/2012 8:22:13 PM
Subject: FW: Compromising The Theranos Brand

FYI

-----Original Message-----
From: Steve Burd [mailto:steve.burd3@safeway.com]
Sent: Wednesday, April 18, 2012 1:20 PM
To: Elizabeth Holmes
Subject: FW: Compromising The Theranos Brand

I am sure you have this somewhere but I thought I would resend it as a reminder for why we want a common look and feel everywhere.

-----Original Message-----
From: Steve Burd
Sent: Friday, January 06, 2012 12:27 PM
To: Elizabeth Holmes
Subject: Compromising The Theranos Brand

While I am committed to getting the grocery network under contract within two and one half months of Safeway's launch, I am very concerned about allowing network partners or anyone else to launch with a mere finger stick. I think it would severely compromise and permanently damage the brand we are trying to create. To steal share from our entrenched competition, we need every advantage we can get. If we move forward as suggested yesterday, several things will occur:

- (1) We will create a very inconsistent experience at retail which is not conducive with building a Strong brand. The essence of any brand is a consistent repeatable experience.
(2) We will relax our scientific standard by no longer using fresh blood at all locations.
(3) We will no longer offer results in less than one hour at all locations.
(4) We will have lost the edge on environment that Safeway has worked so hard to create.
a) The feel of a physician's office is gone (replaced by a shower curtain)
b). The high quality bathroom facility is no longer integral but is in the back room or on the Other side of the store.
c) There is no waiting room to handle the 30 patients that will arrive between 6am and 9am.
d) The absence of a visible Theranos platform denies us the opportunity to re-enforce the the true innovation that Theranos represents.
e) It will be difficult to have a universally well trained staff. The environment helps the staff feel like they are part of something special.

The Starbuck's brand is as much about the environment as is about the coffee. The Apple brand is also all about the experience.

I realize that you have information that I don't have that is causing you to think about a possible finger stick only launch. I also understand that this is intended as only a "stop gap" measure. At the same time, I do not believe you will get two kicks at this "can". This would also be hard to get any quality "buzz marketing" benefits.

I would very much like to have a longer conversation before you lock into this compromised strategy. Please call when you are ready to discuss.

"Email Firewall" made the following annotations.
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