

Operating Expenses

Operating expenses increased to approximately \$19.1 million for the year ended December 31, 2019, from approximately \$12.0 million for the year ended December 31, 2018, an increase of approximately 60%. The detail by major category is reflected in the table below.

	Years Ended December 31	
	2019	2018
Salaries, Wages and Benefits	\$ 8,471,278	\$ 5,823,057
Professional Fees	850,086	362,678
Acquisition Related Costs	799,623	607,670
Board Compensation	137,000	144,125
Investor Relations	105,639	113,059
Consultants	245,386	167,694
Advertising and Promotion	709,006	299,955
Depreciation and Amortization	1,282,786	316,502
Research, Development, and Maintenance	2,672,406	675,660
Integration Incentives	208,855	132,500
Office, Facility and Other	695,493	472,250
Travel	695,283	390,563
Subtotal	16,872,841	9,505,713
Stock-based Compensation	2,260,298	2,520,852
Total Operating Expense	\$ 19,133,139	\$ 12,026,565

The main drivers for the overall increase in operating expenses in 2019 was our focus on staffing and scaling our company to foster, and be able to support, accelerated revenue growth.

Within the operating expenses, there were a variety of increases, the largest of which was in salaries, wages and benefits, as a result of additional staff added in 2018 and 2019, including related benefits. During 2019, we hired a chief commercial officer, a chief technology officer, five new salespeople, a human resources manager, as well as other administrative positions. We also added 14 employees as a result of our RMDY acquisition in October 2019. During 2018, we added to our staff in several key areas, including a head of data analytics, an additional VP of sales, and a controller. We also added 10 employees in late 2018 as a result of our CareSpeak acquisition. The full year impact of these 2018 hires also increased payroll expense in 2019. We expect our compensation expense to increase in 2020, but at a much lower rate than in 2019.

Professional fees increased primarily because of costs associated with our uplisting to Nasdaq and the completion of the underwritten offering, as well as ongoing compliance with Sarbanes Oxley. We also switched auditors in 2019, which resulted in higher audit fees.

Acquisition costs are related to our acquisitions of RMDY Health in 2019 and CareSpeak Communications in October 2018. These costs include investment banker fees, legal and accounting due diligence, audit costs associated with CareSpeak, valuation experts for the purchase price allocation, and other miscellaneous costs. Since RMDY Health was a larger company than CareSpeak Communications, the costs associated with the acquisition were higher.

Board compensation decreased slightly from 2018 to 2019 as we had five independent directors for a portion of 2018, as opposed to the four that we had in 2019.

The cost of consultants increased from 2018 to 2019. The primary reason for the increase was related to consultants used for quality certifications, as well as for marketing activities.

Our advertising and promotion costs increased significantly from 2018 to 2019 as a result of increased marketing activities. This included increased attendance and sponsorship at conferences, rebranding, and other marketing activities.

Expenses related to research, development, management, and maintenance of our technology increased in 2019 primarily as a result of research into potential new product areas.

Integration incentives, which are fees paid to accelerate access to new partners, increased in 2019, as we launched with a greater number of new EHRs in 2019 than in 2018.