

# | Value Creation for Healthcare Companies and Institutions

2020



- Mastersenso Health Methodology is designed to revitalize or optimize the value of healthcare companies, through short and long-term actions, whether for preparation for M&A's or improved operational practices.
- Mastersenso activities include optimization of the competitiveness aspects of operations (Benchmark and process indicators), automation of systems and processes, financial and tax structuring, and analysis of corporate risks.



The methodology consists of 3 sequenced, but independent phases:

**PHASE 1:** Focus on operational, financial and business risk diagnosis. Prioritization of quick-wins to maximize cash and reduce costs. Rapid intervention proposal for situations of demand crises or strong leverage. A Steering-Committee is established with senior management and consultancy representatives.

**PHASE 2:** Support for the implementation of competitiveness and financial restructuring actions. Integrated performance with the first / second level client management team, communicating strategic actions to the responsible leaders, effective implementation, and monitoring productivity and results

**PHASE 3:** Focus on a culture of competitiveness and quality, developing models of work, management and continuous reporting.



1. Financial Structure Assessment;
2. Cash Management;
3. Definition of cost allocation criteria;
4. Benchmarks and KPI comparison with peer companies;
5. Customers analysis, prices and billing effectiveness;
6. Margin-based portfolio proposition;
7. Process Optimization;
8. Operational Productivity Indicators;
9. Make-or-Buy evaluation (internalization vs. outsourcing);
10. Management of input and service contract;
11. Investment Strategy and Management;

## Starting Point

Executive Summary  
(3 ou 4 pages)

- Result Detractors (revenue and cost);
- Mitigation actions;
- Impact of actions on the long-term strategy;
- Scenario: risks and opportunities.

## Phase 1

### Focus on Steering Committees

(Fortnightly meetings during 2 months, with monthly deliveries)

- CEO
- CFO
- COO
- Mastersenso Financial Consultant
- Mastersenso Operations Consultant

**Note: communication and involvement of management teams during all the assignment, prioritizing the Steering Committee**

## Phases 2 and 3

### Operational Committees

(Weekly meetings during 3 months per phase, with monthly deliveries)

- Productive Process Committee
- Maintenance and Investment Committee
- Support Processes Committee
- HR Committee (Compliance, Motivation, etc.)
- Financial and Tax Committee
- Legal and Risk Committee





## Actions on Cash Availability:

- Maximize revenue and minimize losses Minimize operational delays (Renegotiation of main suppliers, anticipation of receivables, reduction of inventories)
- Activate credit lines available to subsidiaries, payroll financing, launch debentures, etc.
- Postponement of Taxes and Fees
- Objectives of operating, maintenance and related expenses.
- CAPEX replanning (OPEX REVIEW)
- Maximize operating margins (Next box)

## Actions on Operational Margins:

- Measurement and minimization of losses by type of process (products, overtime, transport, services, others)
- Price and product renegotiation for the critical phase.
- Minimization of payroll (rationalization of staff, vacation, suspension of contracts, rationalization of benefits and the like)
- Intel systems to guarantee billing effectiveness and expense control.



## Phase two: Action Pipeline

- Assembly of operational committees per business activities (Supply Chain, Transactional, PS Production, In-house Production, Operation / ICU Production, Maintenance, Information System, Financial / Tax, HR, Legal and Risk, Commercial and Financial.)
- Review of processes with a focus on simplification, productivity and loss reduction.
- Establishment of BSCs by process (Balanced Score Cards, with main indicators, references and responsible).
- Definition of the minimum information system with separation of transactional activities.
- List of investments required per process.

## FASE 3 – Competitiveness Culture

- Mobilization of teams to the spirit of the program.
- Organization of performance teams by process
- Team Building session and profiles with personal and professional values and objectives
- Training: Green-Belt principles of process management.
- Black-Box Sessions - Review of the “Base Zero” process by the team with a focus on short and medium term simplifications and improvements (Invitation to process suppliers and customers.)
- Actions pipeline and continued coordination
- Field monitoring assessing service quality.



