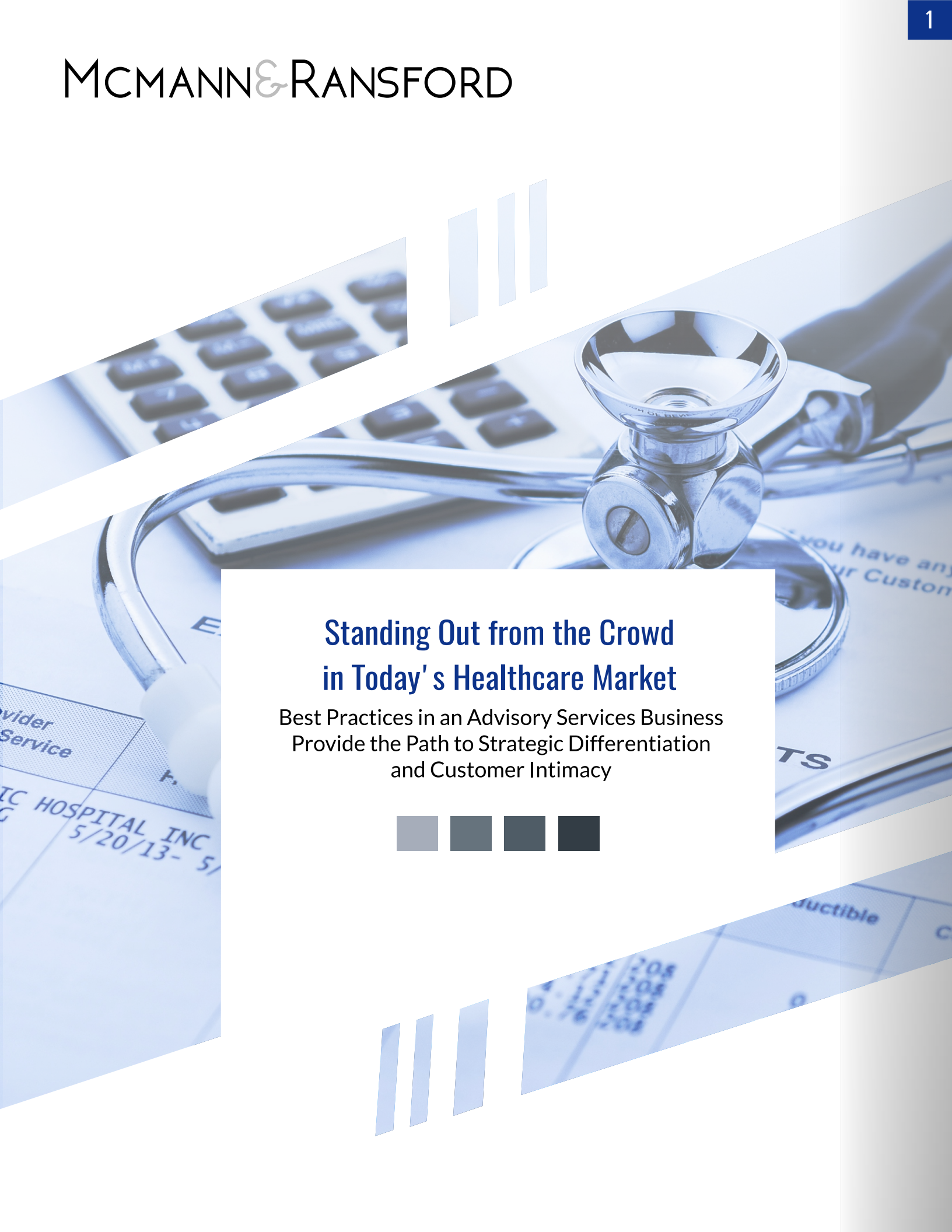


Standing Out from the Crowd in Today's Healthcare Market

Best Practices in an Advisory Services Business
Provide the Path to Strategic Differentiation
and Customer Intimacy



Valued Advice Separates the Signal from the Market Noise

ADVISORY SERVICES PROVIDE THE SIGNAL

As the US healthcare industry faces fundamental shifts in its economic models, companies selling to and serving this market find their buyers increasingly risk averse, cost conscious, and insecure – even erratic at times. In this environment, these companies are often forced into reactive responses to customers they don't know well on stale, ambiguous topics such as volume to value, total cost of care, or the triple aim.

Success for companies serving this vexing healthcare marketplace requires:

- Driving selling cycles that **generate demand** rather than reacting to buying cycles.
- **Guiding clients with impactful ideas** rather than rehashing the same over-worked issues.
- **De-risking the purchase process** rather than asking for unearned trust.

Growth demands achieving and renewing true differentiation and attaining outcomes that deeply matter to clients versus being another voice claiming – and often failing – to improve their outcomes.

A commercially vibrant Advisory or Professional Services (AS) business has the unique ability to build the intimacy with client leaders to overcome each of these challenges, cutting through the haze and continuously renewing differentiation across the full suite of products and services:

- **Risk aversion:**
Guiding clients through an exploratory buying journey that de-risks their investments and matches those investments to the progressively increasing value provided.
- **Cost consciousness:**
Building the intimacy with client leaders to ensure that products, services, and advice address their highest priorities.
- **Insecurity:**
Bringing the breadth of experience, depth of expertise, focused energy, and informed objectivity that clients can rely on to achieve results.

While renewable differentiation always requires advisory capability in some form, the current dynamics of the healthcare market elevate the importance of commercializing that capability in a true Advisory Services business.

The Strategic Role of Advisory Services

When highly functioning, the AS business in a successful, integrated complex services business model plays the following four strategic roles:

Serves as the "Tip of the Spear" to obtain new accounts:

- Changes the acquisition of new accounts from a pure sales process to a client journey of improvement that aligns with the client buying mind set and decision process.
- Provides differentiated services that are topical and/or that should be important to clients; i.e., ideas that provide ways to start executive conversations.
- Adjusts the starting point with clients so that the services offered meet buyers where they are in both their decision cycle and their operational performance.
- Delivers engagements that lead directly to, or provide an umbrella or halo to, core products and services.
- Helps the sales team to create demand – not just respond to demand.

Provides access to executives:

- Provides a portfolio of offers based on ideas and topics that are meaningful to client executives (above the "Line of Safety"*) in each key segment that is of high value to the organization.
- Solves problems executives are interested in (i.e., addresses their objectives) or should be interested in (i.e., educates the client executives).
- Focuses the business on the highest value market segments and buying executives by interacting with the market on critical problems and opportunities and adjusting the understanding of segments, buyers, and the portfolio accordingly.

*The "Line of Safety" divides those senior executives that set budgets and direction for the client from those that manage to budgets they are given.

Refreshes or maintains executive intimacy between buying cycles:

- Presents ideas and topics that are meaningful to client executives (above the "Line of Safety") and executes engagements on those ideas to shift conversations beyond service levels on existing contracts and products to strategic challenges and opportunities for clients.
- Insulates the business from the normal challenges of long-term contracts and products through value created outside the long-term contracts and products and the resulting relationships.
- Engages and showcases the firm's top talent on the ground with the client's executive team.
- Provides regular access and meaningful interactions with the client executives between product and service buying cycles.

Drives revenue and margin for the entire business:

- Leads the client on the intellectual and operational journey to realize the full value of services appropriate for their circumstance.
- Disaggregates the buying process for long-term contracts or other large purchases into a buying journey that matches each purchase decision to the level of trust and credibility established with the client – de-risking the client's decisions – and mitigating the business risk by increasing understanding of the client through the journey.
- Delivers offers that directly pull through other services and products. Or at a minimum, delivers problem solving relevant to executives at new and current accounts in key segments so these relationships can be further leveraged for other services and products.
- Identifies and takes advantage of opportunities to upsell or cross-sell other offerings and expand.

Our Approach to the Embedded Advisory Services Business

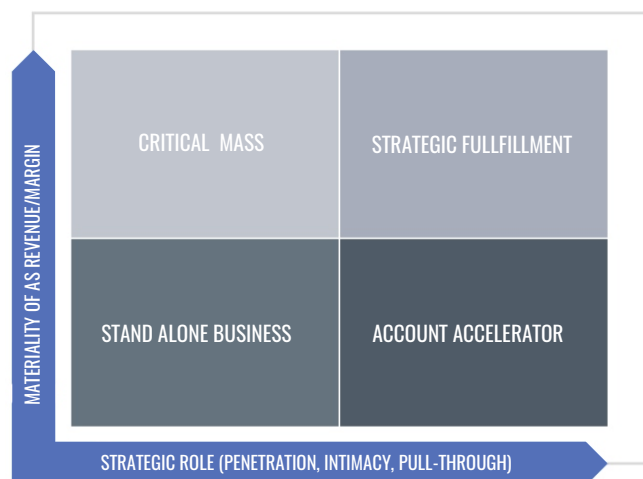
Embedded AS businesses are unique, and therefore, have unique challenges – we have worked with over 50 embedded AS practices and have developed a set of best practices, tools, and training to allow them to meet their goals. Our role is to shorten the time and lessen the risks associated with becoming a high-quality, fast-growth AS business.

GETTING STARTED

Our approach is to first conduct a detailed analysis of our client's current situation, build a roadmap of the drivers of change, and support the strategy with tools, intellectual property, and training to ensure success.

Current State Evaluation

The current state and ideal future state of the AS business can be mapped on these axes to understand where to focus improvement efforts.



A business in each quadrant manifests specific characteristics:

Stand Alone Business: Operates as an independent entity and may be profitable, but doesn't further the goals of the overarching business.

Critical Mass: Has size and scale, but lacks focus on impactful topics and offers designed for strategic objectives, and often lacks the capability to sell/deliver strategically.

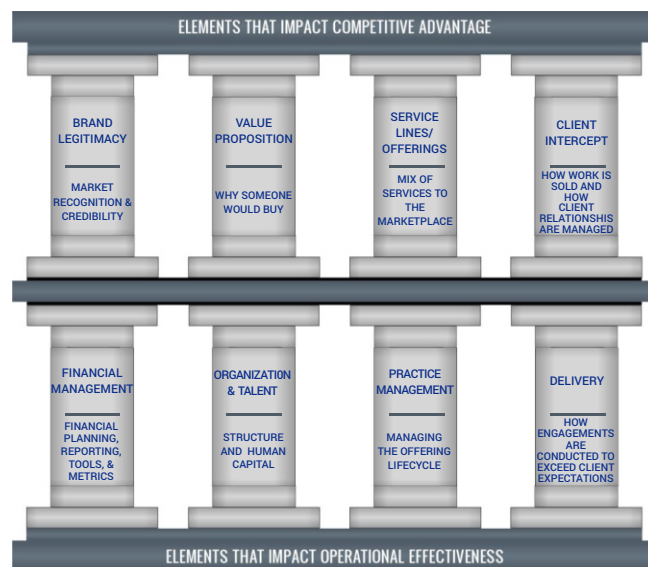
Account Accelerator: Has the expertise, offers, and structure to deliver on important topics, but does not have the scale to impact the broader business materially.

Strategic Fulfillment: Consistently solves important client problems, leading to a halo effect and pulling-through products and services on a scale that materially impacts the full business.

Eight Pillars Review

Once the current state is determined, we conduct an Eight Pillars review to identify operational gaps. We provide an unbiased evaluation of the AS business for management to understand their current state.

We leverage our expertise working across the industry and 25 years of experience to continue to improve and hone performance.



We have performed more than 45 Eight Pillars Reviews.

REALIZING THE STRATEGY

Best Practices:

There are eight interrelated groups of best practices that must be mastered for an embedded AS business to thrive and meet its strategic mission.

Once our clients understand their current state and the drivers of change, we can provide them a transition plan to achieve their goals. Our experience allows us to minimize the time to success by properly sequencing the actions and balancing short-term impact and long-term transition.

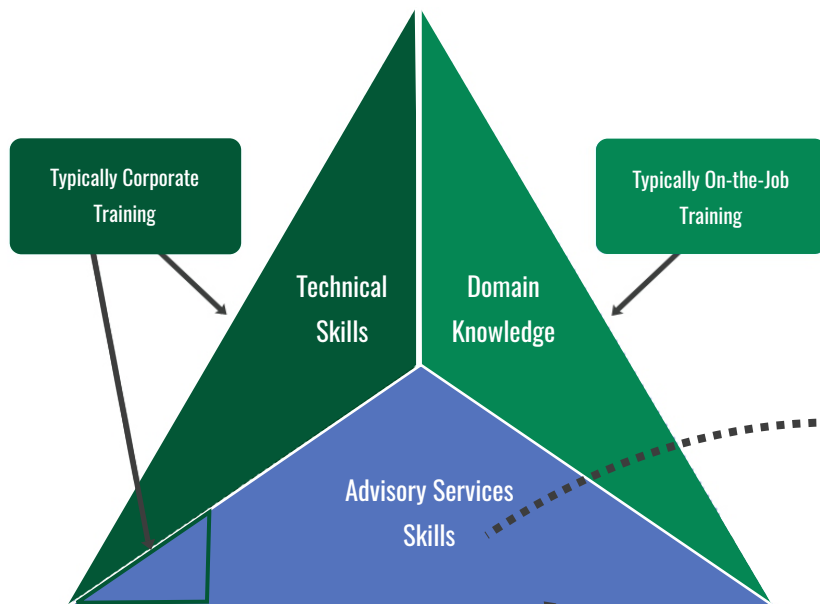
We can then play the role of knowledge transfer partner – providing the "how to" insight, tools, and intellectual property, as well as the positive



Training and Development

Talent is mission-critical to an AS business and required AS skills are often overlooked in many talent development programs. Investment is often also needed in technical and domain areas. We support you in developing, implementing, and even conducting training and development programs to advance your team's skills.

Traditional Talent Development



Some basic Advisory Services skills may be covered in the typical "Corporate Training," including:

- Generic Skills
- Project/Program Management Skills
- Presentation Skills
- General Writing and Communication Skills

Typically not addressed by corporate development programs, for example:

- Delivery Skills
- Selling Services
- Client Relationship Building
- Solution Development
- Service Line Management
- Financial Management

Needed Advisory Services Skills



Client Success Story

CLIENT PROFILE

This multi-billion subsidiary of a massive conglomerate is an OEM of healthcare diagnostic and imaging systems that provides products, services, and digital solutions to hospitals and health systems around the globe.

SITUATION

The client had out-innovated the market, investing significantly in R&D only to develop a new product the market was not yet ready to adopt. They found themselves in a situation where their existing product base was commoditized, and their new release wasn't going to be able to drive the revenue they had anticipated. When they engaged McMann & Ransford, they were looking for help differentiating their products beyond their historical strategy of creating a "better" version. McMann & Ransford helped them quickly identify, design, and create a new service offering that generated revenue, but more importantly, created an easy way to more successfully pull-through their commoditized products at a higher margin.

OUTCOME

Following the implementation of the strategy, revenue, margins, and the number of accounts increased in every segment. In the Stand-Alone Radiology segment, the client significantly increased market share over the course of 18 months.

Additionally, the client was able to recover a relationship with a major hospital group that had previously left the client due to an incident where the buyer had felt misled. With M&R's support, the client was able to engage that hospital group and led them on a long-term journey to fix their operating rooms.

By integrating the segmentation analysis, portfolio construction, and sales insights delivered by M&R, the client was able to significantly boost revenue and exceed its conglomerate's stringent revenue and margin targets.

ABOUT MCMANN & RANSFORD

For more than 25 years, McMann & Ransford has helped some of the largest and most successful healthcare organizations and Advisory/Professional Services firms. We have a track record of significant impact and a strong understanding of the current healthcare market and related trends. We believe we are the best firm to assist an Advisory Services business in optimizing its operational outcomes. Our clients include:













