Health care providers, health plans, and life sciences companies are finding that generating margin is much more difficult in today’s post-reform world. Many are taking a close look at their financial performance, realizing that incremental improvements will not be enough to remain viable. Meanwhile, as organizations consider a range of new strategies and business models to win in the shifting market, they may need strategic flexibility enabled by efficient and lean operations in order to pivot and keep up with changing market demands.

To flourish in a world of shrinking margins, companies can transform how they operate across the ecosystem. Winning in the marketplace involves having a clear, objective eye that can identify opportunities for improving financial performance across the organization while uncovering growth potential. But even the most elegant solutions may languish without effective execution. Traditional administrative cost reduction efforts are no longer enough and organizations should employ a series of bold plays that engage consumers and effect change across all elements of the income statement and balance sheet. Helping organizations make the leap to sustainable margins and strategic flexibility is where Deloitte leads.

**How we can help**

Deloitte’s Margin Improvement (MI) practice has the breadth and depth of industry and functional knowledge to help life science and health care organizations build a foundation for profitable growth—without sacrificing quality or service. We can examine your entire organization for ways to improve financial performance, or we can focus on a specific area of concern. Below is an outline of our cross-sector approach.

**Winning the Market Shift**

From patients to consumers. From volume to value. The ground is shifting under the world’s largest industry—and the players left standing will be the ones that embrace innovation with confidence right now.

Let Deloitte help you win the shift in critical areas like:

- Value-based care
- Customer transformation
- Therapeutic area transformation
- Margin Improvement
- Provider-health plan integration
Income statement view

• **Increase revenue.** We scrutinize each element of your organization that affects revenue. For example, we can help identify the most profitable products or services. Target offerings to attract and engage profitable customers with customized experiences tailored to leverage their lifetime value to your organization. Improve pricing, profitability and PMPM. Accelerate the R&D pipeline. Contemplate new partnerships and business models.

• **Improve COGS.** Depending on your sector, we can suggest ways to lower care delivery costs while improving outcomes or lower manufacturing and distribution costs while maintaining quality. We can identify high-performing providers or supply chain partners, and point out ones that need to improve.

• **Lower SG&A.** By comparing industry and sector benchmarks with your organization’s spending, we can identify potential areas of improvement across administrative, technology, and functional spending. Our deep operational experience and portfolio of proprietary tools and accelerators are designed to help you secure savings.

Balance sheet view

• **Enhance PP&E efficiency.** We can examine your portfolio of hard assets—including real estate and technology assets—to identify ways to manage them more effectively.

• **Improve working capital efficiency.** We can help you free up cash by improving the efficiency of your receivables and payables cycles. Payers can also increase accuracy of rates through improved actuarial processes.

Execution delivery

We do more than just make actionable suggestions—we can help make them a reality. Transformations are inherently risky; effective organizational change combines strong strategic vision, aligned leadership, efficient project management, orchestrated communications, risk management, talent engagement, and more.

Leader in value-driven billing

As the first step toward uncovering the unrealized value within your organization, we conduct a detailed assessment that compares your financial performance to external benchmarks and leading practices to identify improvement opportunities. Our compensation is based on achieving milestones and delivering substantial financial value to your organization. When you win, we win.

Potential bottom-line benefits

• Increase revenue and expand margins while maintaining quality.
• Enhance asset and capital efficiency.
• Improve cash flows.
• Execute improvements while effectively managing risk and quality.
• Improve strategic flexibility.

Join us.
As the world’s leading life sciences and health care consulting firm, we have helped many organizations improve their financial performance and develop strategic flexibility. If your organization needs to pivot in order to win in a shifting market, we should talk.

Be prepared. Win. Carpe diem.

Contacts

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