

NCI Consulting Group

Scope of Work

The NCI Consulting Group (NCI), supports the enterprise Mission of NCI “Orchestrating Supplier and Provider Relationships to Improve Patient Care.” We do this by providing market focused consulting to our Healthcare supplier clients.

NCI has created real market power in their brand name. It is extremely important for the consulting Group to leverage the 30 years of investment in creating this brand. Potential Consulting Group Clients look to NCI to provide them education and networking. The credibility created through neutral forums create the opportunity for the Consulting Group to represent its clients and orchestrate results. Results not only in success for the client, also in ROI for the corporation. This client Consulting Group provides a significant marketing return to the corporation by:

- Results from the applied knowledge
 - Delivered value to Provider Organizations
 - Increased share and penetration for Supplier
- Enthusiasm and support of NCI during education events, trade shows and GPO events
- Maintenance of a consistent (monthly/weekly) contact and involvement with providers, GPOs and IDNs

NCI – Consulting Group - Business Objective

Identify and represent industry suppliers who possess viable product/service(s) that offer a positive financial impact to healthcare providers and improved patient outcomes.

Overview

NCI identifies and contracts appropriate healthcare suppliers focused on providing supply chain improvements, revenue enhancement and improving hospital departmental operations.

NCI is dedicated to providing its clients with sales and market penetration strategies and tactics, value proposition development, broadening sales channels and alignment with key decision makers within IDNs and GPOs.

The primary focus of the value proposition review is to ensure that suppliers position their products and services to meet the needs of IDNs and GPOs. These customer needs can best be served in two ways:

First, if the supplier’s product or service is applicable to the supply chain, the supplier must solve one or several of the following issues:

1. Drive cost out of the supply chain – Enhancing the management of requisition to revenue process
2. Eliminate redundancy of items and processes

3. Reduce cost / price of non-contracted items
4. Drive contract compliance

In order to bring a balanced approach to value, the supplier must consider additional parameters:

5. Patient satisfaction
6. Quality and performance of products and services
7. Patient outcomes
8. Employee satisfaction

Second, if the supplier product or service is specialized to a specific department of the IDN (i.e. Surgery, Lab, Radiology, etc.), they must solve one or several of the following issues:

1. Provide cost reduction through better utilization (preferably a guaranteed payback)
2. Create a path for product standardization to reduce the number of items purchased
3. Eliminate waste in product usage
4. Provide revenue recovery through code compliance or better claim management
5. Provide measurable departmental efficiencies
6. Provide a pathway to implementation that simplifies departmental conversion requirements
7. Deliver a message which will overcome physician preference barriers

Service Description

NCI service provides the Client with the development and execution of a pure GPO/IDN solicitation process. Our insight and understanding of the cultural, organizational, and political practices of GPOs and IDNs offers the Client a distinct competitive advantage. **NCI** uses this knowledge and relationship to leverage and position the Client with potential GPO/IDN customers.

We begin the process by helping the client develop the value proposition. The value proposition has two key elements:

1. The component and structure of the value proposition:
 - a. Provide cost reduction through better utilization (preferably guaranteed cost reduction)
 - b. Create a path for product standardization to reduce the number of items purchased
 - c. Eliminate waste in the product usage
 - d. Provide revenue recovery through code compliance or better claim management
 - e. Provide departmental efficiencies
 - f. Provide a pathway to implementation that simplifies departmental conversion requirements and put the success squarely on the supplier shoulders
2. The implementation of the value proposition:
 - a. Technical personnel to implement change at the department level
 - b. Continual monitoring through the first six months to produce sustainable department behavior change

3. Sales Assessment - Assist in Our proprietary discovery process identifies enterprise strengths, weaknesses, development needs and new business opportunities to grow a prospective partners solution. Whether it is a product, service or even software, NCI Strategic Directions solution includes a combination of assessments linking the science of behavioral assessments, competency modeling, market research and in-market evaluation for greater enterprise effectiveness. The result for our clients is the knowledge necessary to sustain higher performance. Strategic Directions is fundamental to all that we do providing the critical intelligence to strategic sales transformations

The next phase develops customer targets that are aligned with the client's philosophy, organization, and product offerings. This target list will include IDNs and GPOs utilizing our sales and marketing insights, capabilities, and connections at different levels of GPO/IDN organizations. We develop a customer target list that provides for a contract close potential with selected customers. With the more challenging customers, we guide the Client in a process that aligns the Client and customer together within a minimal amount of time and effort. Throughout the process, the Client receives strategic, tactical, and operational support exactly when and where it is needed to produce the greatest ROI.

NCI will continually provide the Client with market intelligence, competitive insight, customer perceptions, trends and issues as they relate to the supply chain. **NCI** also provides joint call support with the Client's key account and/or sales organizations that focus on IDN and GPO customers.

Target Market

NCI Client portfolio consist of a maximum of twenty (20) suppliers representing medical and Purchase Services, Capital, pharmaceutical product manufacturers, service delivery suppliers, information technology companies, distributors, and consulting companies.

NCI targeted contacts with GPO' are Presidents and Vice Presidents. IDN targeted contacts are CEO's, CFO's, Vice Presidents of Materials Management and Vice Presidents of Operations.

- In 2016, health spending is projected to grow 8.3 percent. This projected acceleration in the growth rate, up from 5.5 percent in 2015, is primarily the result of the Affordable Care Act's coverage-related expansions.
- Medicaid eligibility is set to increase to persons under age 65 in families with income up to 138 percent of the Federal Poverty Level in 2014. As a result, Medicaid enrollment is expected to increase by 19.5 million people and spending is projected to grow 20.3 percent. The new Health Insurance Exchanges are expected to cover 13.9 million people
- In 2015 and contribute to 9.4-percent growth in private health insurance spending. Because people gaining coverage through the Medicaid expansion and the Exchanges are expected to be younger and in better health than currently insured persons, on average, it is anticipated that a relatively higher share of their new costs would go towards physician and clinical services and prescription drugs and a lower share towards hospital and long-term care services.

Source: Centers for Medicare & Medicaid Services, Office of the Actuary stated the below projections for 2015:

1. Increase market share without further margin erosion
2. Differentiate from their competitors
3. Better understand IDNs
4. Better understand the market dynamics of GPO
5. Define value proposition with minimal changes to current products

The IDN and GPO market is driving greater demands on suppliers to deliver more value through better pricing, utilization and standardization programs to make them more efficient and to achieve the following:

1. Real cost reductions (guaranteed if possible)
2. Supply chain improvements with less provider resources required
3. Departmental improvements with less disruption while maintaining physician preference
4. Better revenue management without losing process control

The need to satisfy these customers will cause suppliers to find capable, market savvy individuals who will help them design these programs and help them deliver their message to key decision makers

Sincerely,



Jim
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About NCI Consulting Group

*NCI Consulting Group is the most respected and oldest sales and marketing firm in the US, supplying specialization in **GPO, IDN, and Major Health System** market share penetration & expansion for healthcare suppliers. Let us help your sales and corporate account teams increase growth through direct access to key executive level contacts within your targeted markets. Our 30 years in the business and success with over 126 supplier clients, ranging from start-ups to global-wide corporations has created the knowledge, respect, relationships and friendships within in the Provider Community that will take your company to the next level of success. www.nci-cg.com*

The logo features a stylized circular emblem on the left, composed of three curved segments in shades of green, blue, and grey. To the right of this emblem, the letters "ONCI" are displayed in a large, blue, serif typeface.

ONCI